



Our Company was originally incorporated as Laurus Labs Private Limited on September 19, 2005 at Hyderabad, Andhra Pradesh, India as a private limited company under the Companies Act, 1956. Our Company was subsequently converted into a public limited company and its name was changed to Laurus Labs Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the Registrar of Companies, Andhra Pradesh and Telangana, located at Hyderabad ("RoC") on February 12, 2007. Subsequently the name of our Company was changed to Aptuit Laurus Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 19, 2007. Thereafter our Company was converted into a private limited company and its name was changed to Aptuit Laurus Private Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a private limited company was issued by the RoC on July 24, 2007. Subsequently the name of our Company was changed to Laurus Labs Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 21, 2012. Our Company was converted into a public limited company and the name of our Company was changed to Laurus Labs Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on August 16, 2016. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 186.

Registered Office: Plot No.21, Jawaharalal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh, India

Corporate Office: 2nd Floor, Serene Chambers, Road No. 7, Banjara Hills, Hyderabad 500 034, Telangana, India

Contact Person: G. Venkateswar Reddy, Company Secretary and Compliance Officer; **Tel:** +91 40 3980 4333; **Fax:** +91 40 3980 4320

E-mail: secretarial@lauruslabs.com; **Website:** www.lauruslabs.com

Corporate Identity Number: U24239AP2005PLC047518

OUR PROMOTERS: DR. SATYANARAYANA CHAVA, NAGA RANI CHAVA, DR. RAJU SRIHARI KALIDINDI, RAVI KUMAR V V AND DR. LAKSHMANA RAO C V

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF LAURUS LABS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,000 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF 24,844,240 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED HEREUNDER), AGGREGATING TO ₹[●] MILLION ("OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹60 MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) NOT EXCEEDING 5% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND THE AMOUNT OF DISCOUNT, IF ANY TO RETAIL INDIVIDUAL BIDDERS AND THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (THE "RETAIL DISCOUNT") AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND THE [●] EDITION OF THE TELUGU NEWSPAPER, [●] (TELUGU BEING THE REGIONAL LANGUAGE OF ANDHRA PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.*

* Retail Discount of [●] to the Offer Price may be offered to the Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the website of the BRLMS and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), and in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations") the Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, [●] Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Offer Price after the Retail Discount, if any. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 397.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company in consultation with the BRLMS as stated under "Basis for Offer Price" on page 98) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 17.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements specifically confirmed or undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent that the statements specifically pertain to such Selling Shareholder and its portion of the Equity Shares offered under the Offer for Sale and confirms that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

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

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 Fax: +91 22 6713 2447 E-mail: lauruslabs.ipo@kotak.com Investor grievance email: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Center, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 6175 9999 Fax: +91 22 6175 9961 E-mail: lauruslabs.ipo@citi.com Investor grievance e-mail: investors.cgmb@citi.com Website: http://www.online.citibank.co.in/rht m/citigroupglobalscreen1.htm Contact Person: Rahul Roy SEBI Registration No.: INM000010718	Jefferies India Private Limited 42/43, 2 North Avenue Maker Maxity, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4356 6000 Fax: +91 22 6765 5595 E-mail: Laurus.IPO@jefferies.com Investor grievance email: india.investor.grievance@jefferies.com Website: www.jefferies.com Contact Person: Ashish Parasrampuria SEBI Registration No.: INM000011443	SBI Capital Markets Limited 202, Maker Tower "E" Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +9122 2217 8300 Fax: +9122 2218 8332 E-mail: laurus.ipo@sbicaps.com Investor grievance e-mail: Investor.grievance@sbicaps.com Investor.grievance@sbicaps.com Website: www.sbicaps.com Contact Person: Kavita Tanwani/ Sambit Rath SEBI Registration No.: INM000003531	Karvy Computershare Private Limited Selenium Tower B Plot No. 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: einward.ris@karvy.com Investor grievance email: lauruslabs.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: M Muralikrishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSING ON	[●] ⁽²⁾

(1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

TABLE OF CONTENTS

SECTION I: GENERAL	2
DEFINITIONS AND ABBREVIATIONS	2
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	13
FORWARD-LOOKING STATEMENTS	15
SECTION II: RISK FACTORS	17
SECTION III: INTRODUCTION	41
SUMMARY OF INDUSTRY	41
SUMMARY OF OUR BUSINESS	44
SUMMARY OF FINANCIAL INFORMATION	49
THE OFFER	57
GENERAL INFORMATION	59
CAPITAL STRUCTURE	67
OBJECTS OF THE OFFER	90
BASIS FOR OFFER PRICE	98
STATEMENT OF TAX BENEFITS	102
SECTION IV: ABOUT OUR COMPANY	107
INDUSTRY OVERVIEW	107
OUR BUSINESS	161
REGULATIONS AND POLICIES	178
HISTORY AND CERTAIN CORPORATE MATTERS	186
OUR MANAGEMENT	196
OUR PROMOTERS AND PROMOTER GROUP	214
OUR GROUP ENTITY	219
RELATED PARTY TRANSACTIONS	221
DIVIDEND POLICY	222
SECTION V: FINANCIAL INFORMATION	224
FINANCIAL STATEMENTS	224
FINANCIAL INDEBTEDNESS	338
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	341
SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS	360
SECTION VI: LEGAL AND OTHER INFORMATION	367
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	367
GOVERNMENT AND OTHER APPROVALS	370
OTHER REGULATORY AND STATUTORY DISCLOSURES	373
SECTION VII: OFFER INFORMATION	389
TERMS OF THE OFFER	389
OFFER STRUCTURE	394
OFFER PROCEDURE	397
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	441
SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	442
SECTION IX: OTHER INFORMATION	544
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	544
DECLARATION	548

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended from time to time.

General Terms

Term	Description
“our Company”, “the Company”, “the Issuer” or “Laurus Labs”	Laurus Labs Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No.21, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiary

Company Related Terms

Term	Description
Aptuit	Aptuit (Asia) Private Limited
Aptuit Informatics	Aptuit Informatics India Private Limited
Aptuit Singapore	Aptuit (Singapore) Private Limited
Articles of Association/AoA	Articles of association of our Company, as amended
Associate Company	Sriam Labs
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, S. R. Batliboi & Associates LLP, Chartered Accountants
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Bluewater	Bluewater Investment Ltd
CCPS	Series A Preference Shares, Series B Preference Shares and Series C Preference Shares
Corporate Office	Corporate office of our Company located at 2 nd Floor, Serene Chambers, Road No.7, Banjara Hills, Hyderabad 500 034, Telangana, India
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP 2011	Laurus Employee Stock Option Scheme 2011
ESOP 2016	Laurus Employee Stock Option Scheme 2016
Erstwhile Subsidiary	Our erstwhile subsidiary company, namely Viziphar Biosciences Private Limited which we divested, with effect from April 1, 2016
FIP	Fidelity India Principals
FIL Capital Advisors	FIL Capital Advisors Trustee Company Private Limited
FIL Capital Management	FIL Capital Management (Mauritius) Limited
Frost and Sullivan	Frost and Sullivan (India) Private Limited
Group Entity	The company as covered under the applicable accounting standards and also other companies as considered material by our Board, as identified in “Our Group Entity” on page 219
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in “Our Management” on page 196
Laurus Inc.	Laurus Synthesis Inc.
Laurus Investment Agreement	Investment agreement dated May 2, 2014 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company, as amended
Memorandum of Association/MOA	Memorandum of Association of our Company, as amended
Promoters	Promoters of our Company, namely, Dr. Satyanarayana Chava, Naga Rani Chava, Dr. Raju Srihari Kalidindi, Ravi Kumar V V and Dr. Lakshmana Rao C V For details, see “Our Promoters and Promoter Group” on page 214
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations For details, see “Our Promoters and Promoter Group” on page 214
Registered Office	Registered office of our Company located at Plot No.21, Jawaharlal Nehru Pharma City,

Term	Description
	Parawada, Visakhapatnam 531 021, Andhra Pradesh, India
Registrar of Companies/RoC	Registrar of Companies, Andhra Pradesh & Telangana, located at Hyderabad
Restated Consolidated Financial Statements	The restated consolidated financial information of our Company, our Erstwhile Subsidiary, our Subsidiary and our Associate Company which comprises of the restated consolidated balance sheet, the restated consolidated profit and loss information and the restated consolidated cash flow information as at and for the financial years ended March 31, 2016, March 31, 2015 and March 31, 2014, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, the Indian GAAP and restated in accordance with the SEBI ICDR Regulations
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Unconsolidated Financial Statements
Restated Unconsolidated Financial Statements	The restated unconsolidated financial information of our Company which comprises of the restated unconsolidated balance sheet, the restated unconsolidated profit and loss and the restated unconsolidated cash flow information as at and for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, which have been prepared in accordance with the Companies Act, the Indian GAAP and restated in accordance with the SEBI ICDR Regulations
R&D Center	Research and Development Center located at Plot No. DS1 and DS2, IKP Knowledge Park, Turkapally, Shameerpet, Ranga Reddy District, Hyderabad 500 078, Telangana, India
Selling Shareholders	Aptuit, Bluewater, FIL Capital Management and FIP (acting through its trustee FIL Capital Advisors)
Series A Preference Shares	0.001% fully and compulsorily convertible, cumulative, participating and non-redeemable Series A preference shares of face value of ₹10 each
Series B Preference Shares	0.001% fully and compulsorily convertible, cumulative, participating and non-redeemable Series B preference shares of face value of ₹243 each
Series C Preference Shares	0.001% fully and compulsorily convertible, cumulative, participating and non-redeemable Series C preference shares of face value of ₹10 each
Shareholders	Shareholders of our Company from time to time
Sriam Labs	Sriam Labs Private Limited
Subsidiary	Subsidiary of our Company namely Laurus Synthesis Inc.
Unit 1	Manufacturing facility located at Plot No. 21, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh, India
Unit 2	Manufacturing facility located at Plot No. 19, 20, 21, APSEZ, Achutapuram, Visakhapatnam 531 011, Andhra Pradesh, India
Unit 3	Manufacturing facility located at Plot No. 18, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh, India
Unit 4	Manufacturing facility located at Plot No 25, 25A to 25K, APSEZ – Denotified Area, Alalamkoduru Village, Rambilli (M), Visakhapatnam, Andhra Pradesh
Unit 5	Manufacturing facility located at Plot No 102 and 103, Lemarathi Village, Parawada (M), Visakhapatnam 531 021, Andhra Pradesh
Viziphar	Viziphar Biosciences Private Limited

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company, in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus

Term	Description
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidders	Any Bidder except Anchor Investor
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker to the Offer/Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Procedure” on page 397
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, less Retail Discount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as applicable
Bid Lot	[●]
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Telugu newspaper [●] (Telugu being the regional language of Andhra Pradesh, where the registered office of the Company is situated), each with wide circulation Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Telugu newspaper, [●], (Telugu being the regional language of Andhra Pradesh, where the registered office of the Company is situated) each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP

Term	Description
	Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Kotak, Citi, Jefferies and SBICAP
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	Agreement dated [●] entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank, the Public Offer Account Banks and the Refund Bank, <i>inter alia</i> , for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Citi	Citigroup Global Markets India Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by our Company in consultation with the BRLMs Only Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Date	The date on which funds are transferred by the Escrow Collection Banks from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after filing of the Prospectus with the RoC
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Intermediaries	Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated August 19, 2016, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible Employees	All or any of the following: (a) a permanent and full time employee of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company until the submission of the Bid

Term	Description
	cum Application Form, and is based, working and present in India as on the date of submission of the Bid cum Application Form; and (b) a Director of our Company, whether a whole time Director, part time Director or otherwise, (excluding such Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and any Promoter) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based and present in India as on the date of submission of the Bid cum Application Form. An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee'. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹200,000 on a net basis.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer, being [●] Equity Shares aggregating to ₹60 million, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹3,000 million by our Company
General Information Document/GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in "Offer Procedure" on page 397
Jefferies	Jefferies India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer minus the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses For further information about use of the Net Proceeds and the Offer expenses, see "Objects of the Offer" on page 90
Non-Institutional Bidder(s)	All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non resident Indian, FIIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale The Offer comprises of Net Offer to the public aggregating up to ₹[●] million and Employee Reservation Portion. The Offer includes a reservation of [●] Equity Shares aggregating up to ₹60 million for subscription by Eligible Employees

Term	Description
Offer Agreement	The agreement dated August 19, 2016, between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of 24,844,240 Equity Shares by Selling Shareholders at the Offer Price aggregating to ₹[●] million in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus A discount of up to [●]% (equivalent of ₹[●]) per Equity Share on the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion and to the Retail Individual Bidders. The Rupee amount of such discount, if any, will be decided by our Company in consultation with the BRLMs, and advertised in [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Telugu newspapers, Telugu being the regional language of Andhra Pradesh where our Registered Office is located), at least five Working Days prior to the Bid/ Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Offer Proceeds	The proceeds of the Offer that are available to our Company and the Selling Shareholders
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/Offer Opening Date, in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Telugu newspaper [●] (Telugu being the regional language of Andhra Pradesh, where the Registered Office of the Company is situated), each with wide circulation
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Issue Account	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank	The bank(s) with which the Public Issue Account(s) shall be maintained, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Net Offer consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The red herring prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank	[●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated August 18, 2016, entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at

Term	Description
Agents or RTAs	the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer/Registrar	Karvy Computershare Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Discount	A discount of ₹[●] that may be offered to Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion, by our Company in consultation with the BRLMs, at the time of making a Bid
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
SBICAP	SBI Capital Markets Limited
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement dated [●] entered into by the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centers where the Syndicate shall accept ASBA Forms from Bidders
Syndicate Agreement	Agreement dated [●] entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate	The BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	“Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
3TC	Lamivudine and Zidovudine
ABC	Abacavir
AIDS	Acquired immunodeficiency syndrome
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981

Term	Description
AML	Acute Myeloid Leukemia
ANDA	Abbreviated New Drug Applications
APIs	Active Pharmaceutical Ingredients
ART	Antiretroviral therapy
ARV	Anti-retro Viral
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
Bn/bn	Billion
Boilers Act	Indian Boilers Act, 1923
BSE	BSE Limited
BMW Rules	Bio-Medical Waste (Management and Handling) Rules, 1998
BMS	Bristol-Myers Squibb Company
CAGR	$CAGR = [Ending\ Value / Beginning\ Value]^{(1/\#\ of\ years)} - 1$
Category I foreign portfolio investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II foreign portfolio investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CCR5 antagonists	Chemokine receptor antagonists
CD4 cells	CD4 T-lymphocytes
CDSL	Central Depository Services (India) Limited
CDSCO	Central Drugs Standard Control Organisation
CHAI	Clinton Health Access Initiative, Inc.
CIN	Corporate Identity Number
COBI	Cobicistat
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
CRO	Clinical research organization
CST Act	Central Sales Tax Act, 1956
Competition Act	The Competition Act, 2002
Customs Act	The Customs Act, 1962
d4T	Stavudine
DAA	Acting anti-viral drugs
DCA	Drugs and Cosmetics Act, 1940
DCA Rules	Drugs and Cosmetics Rules, 1945
DCGI	Drug Controller General of India
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DFID	Department for International Development
DIN	Director Identification Number
DP ID	Depository Participant’s Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
Drugs Act	Drugs (Control) Act, 1950
DRV	Darunavir
DSIR	Department of Scientific and Industrial Research
DTG	Dolutegravir
EFV	Efavirenz
EGM	Extraordinary General Meeting
EOIs	Expressions of Interest
EOU Scheme	Export Oriented Unit Scheme
EPA	Environment Protection Act, 1986
EPF Act	The Employees Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESI Act	The Employees State Insurance Act, 1948
ETV	Etravirine
EVG	Elvitegravir
Explosives Act	The Explosives Act, 1884

Term	Description
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FIs	Fusion inhibitors
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
Food Authority	Food Safety and Standards Authority of India
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FPP	Finished pharmaceutical product
FSSA	The Food Safety and Standards Act, 2006
FSSR	Food Safety and Standards Rules, 2011
FTC	Emtricitabine
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GA	Generic-accessible
GDP	Gross domestic product
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GIR	General Index Register
GoI/Government	Government of India
GST	Goods and Services Tax
HAART	Highly active antiretroviral therapy
Hazardous Waste Rules / HMW Rules	Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
HCV	Hepatitis C Virus
HIV	Human immunodeficiency virus
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards notified by the Ministry of Finance on March 31, 2015
IDV	Indinavir
IFRS	International Financial Reporting Standards
Income Tax Act / IT Act	The Income Tax Act, 1961
Ind AS	Indian Accounting Standards (Ind AS)
India	Republic of India
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules of 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INSTIs	Integrase inhibitors
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
Legal Metrology Act	Legal Metrology Act, 2009
LMICs	Low and middle income countries
LPV	Lopinavir
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million
MPP	Medicines Patent Pool
MSIHC Rules	The Manufacturing, Storage & Import of Hazardous Chemicals Rules, 1989
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A./NA	Not Applicable
NACO	National AIDS Control Organisation
Narcotic Act	Narcotic Drugs and Psychotropic Substances Act, 1985
NAV	Net Asset Value
NBFC	Non-banking financial company registered with the RBI
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NNRTIs	Non-nucleoside reverse transcriptase inhibitors
Notified Sections	The sections of the Companies Act, 2013 that were notified by the Ministry of Corporate

Term	Description
	Affairs, Government of India
NR	Non-resident
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2000 or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NRTIs	Nucleoside reverse transcriptase inhibitors
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NVP	Nevirapine
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
Patents Act	The Patents Act, 1970
PAT	Profit After Tax
PCBs	Pollution Control Boards
PEPFAR	President's Emergency Plan for AIDS Relief
PIC/s	Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme
PIs	Protease inhibitors
PLHIV	People living with HIV
PrEP	Pre-exposure prophylaxis
Public Liability Act	Public Liability Insurance Act, 1991
RAL	Raltegravir
RBI	Reserve Bank of India
RoW	Rest of the world
RTGS	Real Time Gross Settlement
RTV	Ritonavir
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933
SEZ Act	The Special Economic Zones Act, 2005
SEZ Rules	Special Economic Zones Rules, 2006
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft./sq.ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
State PCB	State Pollution Control Board
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
TAF	Tenofovir Alafenamide
TDF	Tenofovir Disoproxil Fumarate

Term	Description
TDF + 3TC	Tenofovir and Lamivudine
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Trade Marks Act	Trade Marks Act, 1999
TRIPS	Trade Related Agreement on Intellectual Property Rights
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Cess Act	Water (Prevention & Control of Pollution) Cess Act, 1977
Water Cess Rules	Water (Prevention & Control of Pollution) Cess Rules, 1978
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(zn) of SEBI ICDR Regulations
WHO	World Health Organisation
ZDV or AZT	Zidovudine

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Act, SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Statement of Tax Benefits”, “Financial Statements” and “Main Provisions of Articles of Association” on pages 102, 224 and 442, respectively, shall have the meaning given to such terms in such sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India and all references to “USA”, “US” and “United States” are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Statements prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places except percentage figures in “Risk Factors”, “Industry Overview” and “Our Business”, which are rounded off to one decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. The restated unconsolidated financial statements as of and for the Financial Years ended March 31, 2016, 2015, 2014, 2013 and 2012 and the restated consolidated financial statements as of and for the Financial Years ended March 31, 2016, 2015, and 2014 are included in this DRHP. The Company did not have any subsidiary during Financial Years 2012 and 2013.

There are significant differences between Indian GAAP, Ind AS, US GAAP and IFRS. The reconciliation of the financial information to Ind AS, IFRS or US GAAP has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. See “Risk Factors” on page 17 for risks involving differences between Indian GAAP and IFRS or US GAAP and risks in relation to Ind AS. Further, for details of significant differences between Indian GAAP and Ind AS, see “Summary of Significant Differences Between Indian GAAP and Ind AS” on page 360. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 17, 161 and 341 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed

as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

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

Currency	As on March 31, 2012 ⁽¹⁾ (₹)	As on March 31, 2013 ⁽¹⁾ (₹)	As on March 31, 2014 ⁽¹⁾ (₹)	As on March 31, 2015 (₹)	As on March 31, 2016 (₹)
1 USD	51.16	54.39	60.10	62.59	66.33

(Source: <https://rbi.org.in>)

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 17. Accordingly, investment decisions should not be based solely on such information.

Information has been included in this Draft Red Herring Prospectus from the reports titled “Independent Market Research Report for IPO covering Anti-Retro Virals (ARV) in Selected Geographies, June 2016”, “Independent Market Research Report for IPO covering Hepatitis C in India, May 2016”, “Independent Market Research Report for IPO covering Oncology in G7 Countries”, “Independent Market Research Report for IPO covering Contract Research and Manufacturing Services (CRAMS) in India, June 2016” and “Independent Market Research Report for IPO covering Nutraceuticals in Selected Geographies, June 2016” prepared by Frost & Sullivan, which reports have been commissioned by the Company for the purposes of confirming its understanding of the industry in connection with the Offer.

For details of risks in relation to the industry report, see “Risk Factors – We have commissioned industry reports from Frost and Sullivan which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us” on page 33.

In accordance with the SEBI ICDR Regulations, “Basis for Offer Price” on page 98 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- any manufacturing or quality control problems;
- any reduction in demand for products in the therapeutic areas from which we derive a significant portion of our revenue;
- if our products become obsolete due to a breakthrough in the development of alternate drugs;
- loss of one or more of our significant customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products;
- our inability to effectively manage our growth or to successfully implement our business plan and growth strategy;
- a slowdown or shutdown in our manufacturing operations;
- any adverse developments affecting the region where our manufacturing facilities are concentrated;
- our inability to accurately forecast demand for our products and manage our inventory; and
- our inability to develop and commercialize new products in a timely manner or failure of our R&D efforts hindering the introduction of new products.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 17, 161 and 341, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLMs nor any of their respective affiliates

have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with SEBI requirements and as prescribed under applicable law, the Selling Shareholders severally and not jointly will ensure that investors are informed of material developments in relation to statements and undertakings made by the respective Selling Shareholders from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate in or to India and other regions we operate in. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved.

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

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.

The Company did not have any subsidiary during financial years 2012 and 2013 and therefore, the financial data for such years reflects the financial position of the Company on a standalone basis.

Internal Risk Factors

1. Any manufacturing or quality control problems may subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows.

We currently operate three manufacturing facilities and a kilo lab facility at our R&D center in Hyderabad, which have received one or more approvals from WHO, US FDA, PMDA, KFDA or BfArM. We have also set up an R&D center in Greater Boston, United States in 2015. We are currently in the process of setting up two additional manufacturing facilities and another R&D center in India. Consequently, in addition to Indian regulations, we are required to comply with regulations and quality standards stipulated by such international regulators. Our manufacturing facilities and products are subject to audit by regulatory agencies and if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter or sanctions, which could result in the withholding of product approval and the shut-down of our facilities. As part of its auditing process, a US FDA field investigator may issue a Form 483 letter (Notice of Inspectional Observations) after an on-site inspection. If we receive a Form 483 letter, we must respond in a prompt manner to avoid receiving a subsequent US FDA warning letter. In the past, the US FDA has issued an FDA-483 letter for our Unit 1 facility at Vishakhapatnam and our kilo lab facility at Hyderabad, during their inspections. In the past, we have successfully responded to the US FDA and received approval but we cannot assure you that we will not receive any warning letters at any of our facilities in the future. We are also required to meet quality standards and other specifications set out in our license agreements and other contractual arrangements.

Certain developments could adversely affect demand for our products, including the regulatory review of products that are already marketed, new scientific information or the recall or loss of approval of products that we supply, manufacture, market or sell. We face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems, including at the stage of manufacturing of final dosage form. Such adverse publicity harms the brand image of our products. Further, our customers to whom we supply our APIs and other products must comply with the regulations and standards of the US FDA and other regulatory authorities. Failure to comply with these regulatory requirements, or the receipt by these customers of warning or deficiency letters from regulators could adversely affect the demand for our products.

We may also be subject to claims resulting from manufacturing defects or negligence in storage and handling of our pharmaceutical products. In certain foreign jurisdictions, the quantum of damages, especially punitive, awarded in cases of product liability can be high. The existence, or threat of a major product liability claim could damage our reputation and affect customers' views of our products. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are costly. Any loss of our reputation or brand image may lead to a loss of existing business contracts and affect our ability to enter into additional business contracts in the future, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

2. ***We derive a significant portion of our revenue from the sale of products in certain therapeutic areas and any reduction in demand for these products could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We derive a significant portion of our revenue from our Generics – API business, which primarily comprises the sale of products in the therapeutic areas of ARVs, Hepatitis C and Oncology. For the financial years 2016, 2015 and 2014, our revenue from our Generics – API business was ₹16,516.84 million, ₹12,533.54 million and ₹10,907.17 million, or 92.2%, 92.1% and 93.3% of our total revenues, respectively. For the financial year 2016, our revenue from the sale of APIs in the therapeutic areas of ARVs, Hepatitis C and Oncology accounted for ₹12,619.09 million, ₹1,970.98 million and ₹1,413.38 million, or 70.4%, 11.0% and 7.9% of our total revenues, respectively. Further, within our product portfolio in the ARV therapeutic area, we depend significantly on the sale of Efavirenz, Tenofovir Disoproxil Fumarate and Emtricitabine, the preferred first line treatment option for adults, pregnant and breast feeding women and adolescents. Consequently, any reduction in demand or a temporary or permanent discontinuation of manufacturing of products in these therapeutic areas could have an adverse effect on our business, results of operations, financial condition and cash flows.

3. ***If our products become obsolete due to a breakthrough in the development of alternate drugs, our business, results of operations, financial condition and cash flows may be adversely affected.***

For the financial year 2016, we derived ₹12,619.09 million, or 70.4% of our total revenues, from the sale of products in the ARV therapeutic area, which primarily comprised the sale of Efavirenz, Tenofovir Disoproxil Fumarate and Emtricitabine. These three products are currently used as one of the preferred first line treatment in the ARV therapeutic area, recommended by the WHO for our target markets. In the event of a breakthrough in the development or invention of alternate drugs or formulations, we may be exposed to the risk of our products becoming obsolete or being substituted, to a greater extent, by these alternatives. Any failure on our part to effectively address such situations, or to successfully introduce new products in these therapeutic areas, could adversely affect our business, results of operations, financial condition and cash flows.

4. ***We derive a significant portion of our revenue from a few customers, most of whom we do not have long term contractual arrangements with, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on a limited number of customers for a significant portion of our revenues. For the financial years 2016, 2015 and 2014, our top five customers contributed ₹12,142.83 million, ₹10,466.3 million and ₹8,940.65 million, or 67.8%, 76.9% and 76.5% of our total revenues, respectively. Further, we currently do not have long term contractual arrangements with most of our significant customers and conduct business with them on the basis of purchase orders that are placed from time to time. These significant customers include Aspen Pharmacare Limited, Aurobindo Pharma Limited, Mylan Laboratories Limited and Strides Shasun Limited, who in the aggregate contributed 57.5%, 74.0% and 71.9% of our total revenues for the financial years 2016, 2015 and 2014, respectively.

Our customers participate in a competitive tender process for supply to government entities, private agencies and institutions. Any inability on the part of our customers to successfully win tenders will result in a lower demand for our products from them. The low and middle income countries bear the majority burden of HIV cases and depend upon donors and external funding to combat public health threats. Any reduction in the funding provided to these nations or to the agencies that help combat these threats, could adversely affect our customers, which in turn could have an adverse effect on our business. Further, some of our customers currently manufacture or may start manufacturing their own APIs and may discontinue purchasing APIs from us. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future.

5. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.*

Over the last few years, we have expanded our operations and services and experienced considerable growth. From the financial year 2012 to the financial year 2016, our total revenues, on a standalone basis, has increased from ₹4,523.07 million to ₹17,884.15 million. Although we have historically derived a significant percent of our revenue from our Generics – API business, we are investing significant time and resources in growing our Generics – FDF, Synthesis and Ingredients businesses. We constantly seek to develop our R&D capabilities to distinguish ourselves from our competitors to enable us to introduce new products. However, we cannot assure you that we will be able to successfully compete in these new business lines or that our products would gain consumer acceptance.

We are in the process of setting up two additional manufacturing facilities, one for potent APIs (expected to commence operations by December 31, 2016) and the other for APIs, intermediates and ingredients (expected to commence construction during the financial year 2017). Post our planned expansion, our aggregate reactor volume will increase to 2,095.6 KL during the financial year 2017. The construction and opening of new manufacturing facilities is subject to certain risks that could result in delays or cost overruns, which could require us to expend additional capital and, as a result, adversely affect our business and operating results. These risks include:

- shortages and late delivery of building materials and facility equipment;
- delays in the delivery, installation, commissioning and qualification of our manufacturing equipment;
- delays or failure in securing the necessary governmental and other regulatory approvals;
- labor disputes;
- design or construction changes with respect to building spaces or equipment layout; and
- technological capacity and other changes to our plans necessitated by changes in market conditions.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates, or our inability to optimally utilize our additional manufacturing facilities, could have an adverse effect on our business, results of operations, financial condition and cash flows.

6. *A slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, results of operations, financial condition and cash flows.*

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in us being unable to manufacture a product for the duration of such shut down. Further, we have set up a dedicated manufacturing block at our facility to manufacture products exclusively for one of our customers. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an inability to comply with our customers' requirements and result in us breaching our contractual obligations. For instance, in January 2014, there was a major fire accident at the manufacturing facility of Sriam Labs, an associate company, which we are currently in the process of acquiring. This accident caused Sriam Labs to incur significant expenditure and led to the temporary shutdown of operations. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, we employed a total of 2,398 employees, as of June 30, 2016. Although we have not experienced any strikes or labour unrest in the past, we cannot assure you that we will not experience disruptions in work in the

future due to disputes or other problems with our work force. Any labor unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, results of operations, financial condition and cash flows.

7. *Our manufacturing facilities are concentrated in a single region and any adverse developments affecting this region could have an adverse effect on our business, results of operations, financial condition and cash flows.*

All of our current and upcoming manufacturing facilities are located in Vishakhapatnam and we have a kilo lab facility and an R&D center in Hyderabad and any significant social, political or economic disruption, or natural calamities or civil disruptions in this region, or changes in the policies of the state or local governments of this region or the Government of India, could require us to incur significant capital expenditure and change our business strategy. For instance, in October 2014, cyclone Hudhud severely affected Vishakhapatnam and we were forced to shut production at our Unit 1 and Unit 3 for 20 days. We cannot assure you that there will not be any significant disruptions in our operations in the future. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

Our business depends on our estimate of the long term demand for our APIs and other products from our customers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our production volumes, any error in our forecast could result in surplus stock, which may not be sold in a timely manner. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Further, the number of purchase orders that our customers place with us differ from quarter to quarter, which has caused our revenues, results of operations and cash flows to fluctuate in the past and we expect this trend to occasionally continue in the future. Also, each of our products has a shelf life of a specified number of years and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

9. *Our success depends on our ability to develop and commercialize new products in a timely manner. If our R&D efforts do not succeed, the introduction of new products may be hindered, which could adversely affect our business, growth and financial condition.*

In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities and we have set-up a dedicated R&D center in Hyderabad and Greater Boston and are currently in the process of setting up an R&D center in Visakhapatnam. Our Company spent ₹906.52 million, ₹586.49 million and ₹424.40 million towards R&D activities during the financial years 2016, 2015 and 2014, or 5.1%, 4.3% and 3.6% of our total revenues in such years, respectively.

Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or the failure of a product to be successful at any stage and therefore not reach the market could adversely affect our business, our results of operations and our cash flows. We may or may not be able to take our R&D innovations through the different testing stages without repeating our R&D efforts, or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. The occurrence of any such event could affect the success of our R&D activities, which in turn could have an adverse effect on our business, growth, results of operations, cash flows and financial condition.

10. *We intend to selectively pursue Paragraph IV filing opportunities in the United States, which may not be successful, may result in extensive and expensive litigation which we may not be successful in defending, and which may adversely affect our business, prospects and financial condition.*

We intend to file our own ‘abbreviated new drug applications’ (“**ANDA**”) in the regulated markets. A Paragraph IV filing is made when an ANDA applicant believes its product or the use of its product does not infringe on the innovator’s patents or where the applicant believes that such patents are not valid or enforceable. If successful, Paragraph IV filings enable the filer to launch the product in the United States prior to the expiry of the patent. These products are often difficult and expensive to manufacture. Innovators will often seek to restrict or will challenge the grant of a successful Paragraph IV filing which, if determined against the ANDA applicant, may result in expensive litigation and/or penalties and a loss of the investment in manufacturing the product. We continue to evaluate product opportunities involving non-expired patents going forward and this could result in patent litigation, the outcome of which may adversely affect our business, prospects, results of operations, cash flows and financial condition.

11. If we are unable to patent new processes and protect our proprietary information or other intellectual property, our business may be adversely affected.

We rely on a combination of patents, non-disclosure agreements and non-competition agreements to protect our proprietary intellectual property. As of June 30, 2016, the Company owned 32 patents and had 150 pending patent applications, in several countries. Due to the different regulatory bodies and varying requirements across the world, we may be unable to obtain intellectual property protection in those jurisdictions for certain aspects of our products or processes. Also, we have applied for but not yet obtained certain trademark registrations, including for our Company’s logo. For further details, see “Government and Other Approvals” on page 370.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our patents, trade secrets or other agreements will adequately protect our intellectual property. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. Further, our patent applications may fail to result in patents being issued, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. We may be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all.

We also rely on non-disclosure agreements and non-competition agreements with certain employees, consultants and other parties to protect trade secrets and other proprietary rights that belong to us. We cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. Any inability to patent new processes and protect our proprietary information or other intellectual property, could adversely affect our business.

12. If we inadvertently infringe on the patents of others, we may be subjected to legal action and our business and reputation may be adversely affected.

We operate in an industry characterized by extensive patent litigation, including both litigation by innovator companies relating to purported infringement of innovative products and processes by generic pharmaceuticals and litigation by competitors or innovator companies to delay the entry of a product into the market. Patent litigation can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to manufacture or sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others. Further, certain of our license agreements, pursuant to which we are permitted to manufacture certain of our products, contain provisions which permit the licensor to terminate the license agreement in the event we were to misappropriate a third party’s intellectual property. The occurrence of any of these events could subject us to legal action and adversely affect our business, reputation, cash flows and results of operations.

13. Any delay, interruption or reduction in the supply of raw materials and equipment to manufacture our products may adversely affect our business, results of operations, financial condition and cash flows.

We depend on third-party vendors and suppliers, with whom we place purchase orders from time to time, for the purchase of raw materials and equipment. We are currently sourcing a significant portion of our raw materials from multiple vendors in China except for a few materials which are sourced from a single vendor. We have faced supply disruptions in the past which led us to incur additional costs in procuring our raw materials. We cannot assure you that we will be able to continue to obtain adequate supplies of our raw materials, in a timely manner, in the future. Further, in the event of an increase in the price of raw materials, we cannot assure you that we will be able to correspondingly increase the price of our products. Any such reductions or interruptions in the supply of raw materials or equipment, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner and we may be in breach of our contractual obligations. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition.

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

Our success will depend, in part, on the extent to which government and health administration authorities, private health insurers and other third party purchasers will pay for drugs that contain our products. Increasing expenditures for healthcare have been the subject of considerable public attention in almost every jurisdiction where we conduct business. Both private and governmental entities are seeking ways to reduce or contain health care costs by limiting both coverage and the level of reimbursement for new therapeutic products. In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. Any restriction on the ability of our customers to freely set prices for their drugs that contain our products, may in turn adversely affect our ability to freely price our products and consequently reduce our profits.

In particular, prices of certain pharmaceutical products are determined by the Drug Prices Control Order, 2013, promulgated by the Indian Government. Further, the National Pharmaceuticals Pricing Policy, 2012 lays down the principles for pricing essential drugs as specified in the National List of Essential Medicines 2011, to ensure the availability of such medicines at reasonable prices. The National Pharmaceutical Pricing Authority (the “NPPA”) has notified the ceiling price for several formulations under the Drug Prices Control Order, 2013 and formulations included in the National List of Essential Medicines – 2011. For instance, with effect from April 2016, the NPPA brought Sofosbuvir, one of our key products in the Hepatitis C therapeutic area, under price control. As such, we cannot assure you that such pricing restrictions imposed by the NPPA will not adversely affect us in the future.

While we cannot predict the nature of the measures that may be adopted by domestic or international governmental and private organizations or their impact on our business and revenues, the announcement or adoption of such proposals could increase our costs and reduce our profit margins. Further, if healthcare legislation or third party purchaser influence results in lower pharmaceutical prices, although the demand for our generic APIs may increase, our overall revenues may decrease and our profits could be adversely affected.

15. *We have applied for registration of several trademarks including our logo that are currently pending before the concerned authorities. Failure to obtain the registration of such trademarks may have adverse effect on our business and goodwill.*

We have applied for registration of several trademarks, including our logo , that are currently pending before the concerned authorities. For details of applications for registration of trademarks, see “Government and Other Approvals” on page 370. Our name and trademarks are significant to our business and operations. We believe that our trademarks have significant brand recognition in our industry. Any adverse decision by the adjudicating authority may prevent us from registering and using such trademarks. Our applications for registration of such trademarks may be rejected by the concerned authorities. If we are unable to obtain the registration of the trademarks applied for, such rejection may have an adverse effect on our business and our goodwill.

16. *If our products or other products containing our APIs cause, or are perceived to cause, severe side effects, the sales of such products may decrease, which may have an adverse effect on our revenues and profitability.*

The pharmaceutical products containing our APIs may cause severe side effects as a result of a number of factors, many of which are outside of our control. These factors, which may become evident only when such products are introduced into the marketplace, include potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases, defective products not detected by quality management

systems or misuse of products by end-users. The products may also be perceived to cause severe side effects when a conclusive determination as to the cause of such severe side effects is not obtained or is unobtainable.

In addition, our products or other products containing our APIs may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar APIs, raw materials or delivery technologies as the products containing our APIs, cause or are perceived to have caused severe side effects, or if one or more regulators, such as the US FDA or an international institution, such as the WHO, determines that products containing the same or similar pharmaceutical ingredients as the products containing our APIs could cause or lead to severe side effects.

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

- injury or death of patients (whether during clinical trials or after such products are introduced into the market);
- a decrease in the demand for, and sales of, the relevant products;
- the recall or withdrawal of the relevant products;
- withdrawal of regulatory approvals for the relevant products or the relevant production facilities;
- damage to the brand name of the products and our reputation;
- removal of relevant products from the national medical insurance catalogues; and
- exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or penalties.

The occurrence of any such event may lead to a decline in the sales of products that use our APIs, which in turn may have an adverse effect on our business, results of operations, financial condition and cash flows.

17. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and cash flows.

As of June 30, 2016, our financial indebtedness was ₹11,152.85 million (including foreign currency loans of USD 41.82 million). Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- change in capital structure of our Company without prior permission of the lender;
- creation of any further charge on the secured assets or providing any guarantees to other lenders without prior approval of the lender;
- declaration of dividend or distribution of profits without the consent of the lender;
- amending charter documents without the prior consent of the lender;
- requirement of prior consent in order to avail any borrowing or financing;
- requirement of maintaining the debt to equity ratio above a certain specified limit;
- requirement of prior consent for sale, transfer or disposal of the whole or substantially part of the undertaking of our Company, property, assets or revenues, whether by a single transaction or a number of transactions (other than in the ordinary course of trading);
- requirement of prior consent in case of any change in the equity, management and operating structure of our Company;
- right of the lender to convert debt into equity, at a time felt appropriate by the lender, at a mutually acceptable formula;
- business being confined to such activity as has been notified to the lender at the time of sanctioning the credit facilities;
- right of the lender to suspend, terminate or recall the existing credit facilities at the discretion of the lender;
- providing loans, investing in or advancing money or assets to any other person, enterprise or entity, purchasing, creating or acquiring any interest in any other enterprise or entity or incurring any obligation as surety or guarantor other than in the ordinary course of business without prior written consent of the lender; and
- right to appoint nominee director.

In certain cases, the lenders also have unrestricted discretion to cancel, suspend or determine whether or not to permit drawdowns in relation to any loan facility sanctioned by them. In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Further, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations, cash flows and financial condition. For details in connection with our indebtedness please see “Financial Indebtedness” on page 338.

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

Our success depends significantly on our ability to successfully commercialize our products under development. The development and commercialization process is both time consuming and costly, and involves a high degree of business risk. During these periods, our competitors may be developing similar products of which we are unaware of that could compete directly or indirectly with our products under development. Due to the prolonged period of time for developing a new product and delays associated with regulatory approval process, we may invest resources in developing products that will face competition of which we are currently unaware. Such unforeseen competition may hinder our ability to effectively plan the timing of our product development, which could have an adverse impact on our financial condition, cash flows and results of operations.

Our products currently under development, if and when fully developed and tested, may not perform as we expect, or necessary regulatory approvals may not be obtained in a timely manner, or at all, and we may not be able to successfully and profitably produce and market such products. Even if we are successful in developing a new product, such product may become subject to litigation by other parties claiming that our product infringes on their patents or may be seized in transit by regulatory authorities for alleged infringement of third party intellectual property rights or may be otherwise unsuccessful in the market place due to the introduction of superior products by our competitors. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all. To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. Our investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

19. We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, results of operations and cash flows may be adversely affected.

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our manufacturing facilities. For details of applicable regulations and approvals relating to our business and operations, see “Regulations and Policies” and “Government and Other Approvals” on page 178 and page 370, respectively. Also, many international regulatory authorities must approve our manufacturing facilities before we can sell our products, irrespective of whether these products are approved in India.

A majority of these approvals are granted for a limited duration and require renewal. The approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for sale of new products. In many of the international markets where our products are ultimately sold, the approval process for a new product can be complex, lengthy and expensive. The time taken to obtain regulatory approvals varies by country but generally takes between six months and

several years from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected.

20. *If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.*

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances 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. For instance, in the past, there have been at least two instances of inadvertent omissions, including non-filing/ incorrect filing of the prescribed form with the RoC for allotment of Equity Shares on account of conversion of Series A Preference Shares of our Company in February 2012 and failure to take necessary adequate shareholders approvals in relation to payment of salary to certain relatives of our executive and whole time Director and CEO, under applicable law. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

21. *Non compliance with and changes in, safety, health, environmental and labor laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.*

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labor. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. For details on regulations and policies applicable to our business, see “Regulations and Policies” on page 178. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. However, we cannot assure you that we will not experience accidents in the future. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shutdown our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labor and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labor laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labor laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production. We do not carry any insurance to cover environmental losses and liabilities in India.

22. *The pharmaceutical industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition and cash flows.*

The pharmaceutical industry is a highly competitive market with several major pharmaceutical companies

present, and therefore it is challenging to improve market share and profitability. Many of our competitors may have greater financial, manufacturing, R&D, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges or a stronger sales force. Our competitors may succeed in developing products that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our business, results of operations, cash flows and financial condition.

Further, some of our competitors, which include major multinational corporations, are consolidating and integrating, and the strength of combined companies could affect our competitive position in all of our business areas. Consolidated corporations may have greater financial, manufacturing, R&D, marketing and other resources, broader product ranges and larger, stronger sales forces, which may make them more competitive than us. Pricing pressure could also arise due to the consolidation in trade channels and the formation of large buying groups, like we have witnessed in the United States. Additionally, if one of our competitors or their customers acquire any of our customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material or component, which may adversely affect our business, results of operations, cash flows and financial condition.

23. We are currently in the process of acquiring Sriam Labs and any failure to realize the anticipated benefits of this acquisition may have an adverse effect on our business, results of operations, financial condition and cash flows.

On June 8, 2016, our Company entered into a share purchase agreement with Sriam Labs (currently our associate company in which we hold a 27.0% interest), Dr. C.R. Naidu, C Harikiran, Dr. V. Uma Maheshwar Rao, CR Eco Ventures Private Limited and certain other shareholders of Sriam Labs (“**Sriam Labs SPA**”), to purchase the remaining 73.0% equity share capital of Sriam Labs for an aggregate purchase consideration of ₹209.96 million. Upon completion of the share purchase, which is subject to satisfaction of conditions precedent (including receipt of approval from the FIPB and all relevant lenders and third parties), our Company will hold the entire equity share capital of Sriam Labs. For details regarding the proposed acquisition of Sriam Labs, see “History and Certain Corporate Matters” on page 186.

We cannot assure you that the acquisition of Sriam Labs will be completed in a manner contemplated under the Sriam Labs SPA, or at all. The success of the Sriam Labs acquisition will depend, in part, on our ability to realize the anticipated growth opportunities and synergies from combining these businesses. Integrating the business of Sriam Labs into ours could be a task that will require substantial time, expense and effort from our management. If management’s attention is diverted or there are any difficulties associated with integrating these business, our results of operations and cash flows could be adversely affected. Even if we are able to successfully combine the business operations, it may not be possible to realize the full benefits of the integration opportunities, the synergies and other benefits that we currently expect will result from this acquisition, or realize these benefits within the time frame that we currently expect. Any failure to realize the anticipated benefits in a timely manner, or at all, could have an adverse effect on our business, results of operations, financial condition and cash flows.

24. We are involved in certain legal proceedings, which, if determined adversely, may affect our business and financial condition.

As on the date of filing this Draft Red Herring Prospectus, there are outstanding legal proceedings initiated involving our Company that are pending before various courts, tribunals and other appellate authorities.

A summary of material outstanding legal proceedings involving our Company are provided below:

Nature of cases	No. of cases	Total amount involved (in ₹million)
Against our Company		
Civil	1	—*
Criminal	-	-
Actions taken by statutory/regulatory authorities	-	-
Tax	15**	22.10
By our Company		
Civil	2	13.81

Nature of cases	No. of cases	Total amount involved (in ₹million)
Criminal	-	-
Actions taken by statutory/regulatory authorities	-	-
Tax	-	-

*Amount not quantifiable

**Inclusive of four income tax (tax deducted at source) notices for a total amount of ₹0.07 million and a summons from the Directorate of Revenue Intelligence under Section 108 of the Customs Act, 1962

The amounts claimed in these proceedings have been disclosed to the extent ascertainable / quantifiable and include amounts claimed jointly and severally. If any new developments arise, such as changes in Indian law or rulings against us by the appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details on litigation involving our Company, see “Outstanding Litigation and Material Developments” on page 367.

25. Our business agreements include certain restrictive covenants which may restrict our business operations.

We enter into various agreements for our business operations, including manufacturing agreements, license agreements, development agreements, services agreements and supply agreements. These agreements contain restrictive terms, including obligations to:

- manufacture and supply products only within specified territories,
- offer and sell products only to entities approved by our licensors,
- conform the quality of our products to standards set by international organizations and in our contractual arrangements,
- source raw materials from approved suppliers,
- provide reports pertaining to our manufacturing operations from time to time,
- permit our licensors and clients to inspect our facilities and conduct audits,
- transfer intellectual property and know how pertaining to any improvements made in products during our manufacturing operations to our licensors,
- maintain our regulatory approvals in force,
- conform our marketing materials and product labeling to prescribed norms,
- comply with domestic and foreign regulations such as the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010, and
- maintain insurance coverage in specified amounts.

Our customers also have the right to reject delivery of products which do not comply with their requirement or which fail the testing procedures set out in their agreements. Further, certain of our agreements contain profit and loss sharing provisions. In the event, that we are unable to meet such obligations, our customers may terminate their agreements with us and choose to work with our competitors, and we may be required to indemnify them on terms set out in the agreements. Compliance with these requirements may restrict our ability to undertake certain business operations and may increase our compliance costs.

26. We do not own some of our manufacturing units, corporate office and other premises from which we operate.

Some of our manufacturing facilities, corporate office, R&D facilities at Greater Boston and Hyderabad and guest houses, are occupied by us on a leasehold basis. Further, lease deeds for our properties may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. The lease periods and rental amounts vary on the basis of their locations. For further details see “Our Business” on page 161.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing units during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

- 27. Our facilities are subject to client inspections and quality audits and any failure on our part to meet their expectations or to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and adversely affect our business, results of operations, financial condition and cash flows.**

Pursuant to our contractual arrangements, certain of our clients have the right to regularly examine our manufacturing processes, quality control and procedures and registers of our manufacturing facilities after reasonable notice and at a reasonable time to ensure that our services are meeting their internal standards and regulatory requirements. Most of our clients routinely inspect and audit our facilities. Any failure on our part to meet the expectations of our clients and to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and our clients may choose to source their requirements from our competitors. We may also incur significant costs to upgrade our facilities and manufacturing processes. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition and cash flows.

- 28. Our ability to invest in our overseas or Indian subsidiary companies may be constrained by Indian and foreign laws, which could adversely affect our growth strategy and business prospects.**

We currently have a wholly-owned subsidiary, Laurus Synthesis Inc., incorporated in the United States. Under Indian foreign investment laws, an Indian company is permitted to invest in overseas joint ventures or wholly owned subsidiaries, an amount not exceeding 400% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions), and any financial commitment exceeding USD 1.0 billion (or its equivalent) in a financial year will require prior approval of the RBI, even if the total financial commitment of the Indian company is within the aforementioned limit. This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. Further, there may be limitations stipulated in the host country for foreign investment.

Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. Additionally, our Company is currently a "foreign owned or controlled company" and we are required to comply with certain conditions specified under the FEMA Regulations and FDI Policy with respect to downstream investment. There are also further requirements specified under the Companies Act in relation to any acquisition that we propose to undertake in the future. These limitations on overseas direct investment or downstream investment in Indian companies could constrain our ability to acquire overseas or Indian entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our growth strategy and business prospects.

- 29. If we are unable to raise additional capital, our business, results of operations, financial condition and cash flows could be adversely affected.**

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

- 30. Our ability to adopt new technology to respond to new and enhanced products poses a challenge in our business. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, results of operations, cash flows and financial condition.**

The industry in which we operate is subject to significant technological changes, with constant introduction of new and enhanced products. Our success will depend in part on our ability to respond to technological advances

and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, financial condition and cash flows.

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

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, our results of operations and our cash flows. For further details, see "Our Management" and "Our Promoters and Promoter Group" on pages 196 and 214, respectively.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel, including our scientists, who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations, cash flows and financial condition.

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

We depend upon information technology systems, including internet-based systems, for our business operations. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although we have not experienced any significant disruptions to our information technology systems, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, results of operations and cash flows.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

33. *Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.*

We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of coverage include insurance for burglary, standard fire and special perils insurance policy, clinical trials liability insurance policy, erection all risk insurance policy, electronic equipment insurance policy, group mobile insurance policy, office umbrella package policy, baggage insurance policy, industrial all risk insurance policy, product liability insurance policy, public liability policy, terrorism and sabotage insurance policy, directors and officers liability insurance, group mediclaim policy, personal accident insurance policy and keyman insurance policy. As of March 31, 2016, our gross block of total fixed tangible assets and inventory was ₹13,506.21 million and ₹4,870.93 million, respectively and the insurance coverage on such assets and inventory was ₹13,515.77 million and ₹7,740.00 million, respectively, or 100.07%

and 158.90% of the total value of fixed assets and inventory, respectively.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

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

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

35. We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.

As of March 31, 2016, our contingent liabilities, as per Accounting Standards 29 – provisions, contingent liabilities and contingent assets, that have not been provided for are as set out in the table below:

Particulars	As of March 31, 2016 (₹ in millions)
Outstanding bank guarantees (excluding performance obligations)	50.15
Bills Discounted	480.15
Demand for direct taxes under appeal	10.10
Total	540.40

If a significant portion of these liabilities materialize, it could have an adverse effect on our results of operations, cash flows and financial condition. For details, see “Financial Statements – Contingent Liabilities and Commitments” on page 243.

36. We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price.

During the last 12 months, we have issued Equity Shares at a price that may be lower than the Offer Price, as set forth below. The Offer Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. For further details regarding such allotments, see “Capital Structure” on page 67.

Date of Allotment	Particulars	Face Value (₹)	No. of Equity Shares	Issue Price (₹)
September 28, 2015	Allotment of Equity Shares pursuant to ESOP 2011	10	234,375	10
November 10, 2015	Allotment of Equity Shares pursuant to ESOP 2011	10	11,000	10

Date of Allotment	Particulars	Face Value (₹)	No. of Equity Shares	Issue Price (₹)
July 15, 2016	Allotment of Equity Shares pursuant to conversion of Series A Preference Shares, Series B Preference Shares and Series C Preference Shares	10	8,889,846	Not Applicable
July 27, 2016	Allotment of bonus Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held	10	73,971,303	Not Applicable

37. Our Group Entity and Associate Company has incurred losses in the past.

Our Group Entity and Associate Company have incurred losses in the years as set forth below:

Sr. No	Name of the entity	Profit / (Loss) (Amount in ₹million) for the year ended		
		March 31, 2014	March 31, 2015	March 31, 2016
1.	Laurus Infosystems (India) Private Limited	(3.61)	(1.35)	-
2.	Sriam Labs	5.75	9.23	(14.90)

38. We face foreign exchange risks that could adversely affect our results of operations and cash flows.

We have certain foreign currency denominated borrowings and as such, we are exposed to fluctuations in exchange rates between the US Dollar and the Indian Rupee. Further, a significant portion of our total revenues is denominated in currencies other than Indian Rupees. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. In addition, the policies of the Reserve Bank of India (“RBI”) may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. As of March 31, 2016, our principal amount of unhedged borrowing obligations denominated in foreign currency was U.S.\$ 19.45 million. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows.

39. Information relating to the historical capacity of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary.

Information relating to the historical capacity of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. Actual production levels and rates may differ significantly from the estimated production capacities or historical estimated capacity information of our facilities. Undue reliance should therefore not be placed on our historical capacity information for our existing facilities included in this Draft Red Herring Prospectus.

40. Any withdrawal, or termination of, or unavailability of tax benefits and exemptions being currently availed by us may have an adverse effect on our business, results of operations, financial condition and cash flows.

We are currently entitled to certain tax benefits and incentives. For further details, see “Statement of Tax Benefits” on page 102. One of our operational manufacturing facilities and one of our upcoming manufacturing facilities are located in the special economic zone near Vishakhapatnam, Andhra Pradesh. New or revised policies in relation to the special economic zone or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations and cash flows. We cannot assure you as to what action current or future governments will implement regarding tax incentives or excise duty benefits. Moreover, any government policies restricting the allotment of land in areas where we intend to establish facilities could adversely affect our plans to expand our manufacturing facilities. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of

such benefits or concessions, and consequently, we may lose such benefits and concessions. Further, we may be unable to avail these tax benefits in the future, which could result in increased tax liabilities and reduced liquidity and have an adverse effect on our results of operations and cash flows.

41. Certain of our Directors and certain key management personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.

Certain of our Directors and key management personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. We cannot assure you that our Directors and our key management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. We have also entered into transactions, including lease agreements, with our Directors and certain members of our Promoter Group. For example, our Director, Ravi Kumar V V and a member of our Promoter Group, Soumya have leased out properties to our Company for a period of 5 years commencing from January 1, 2016 to December 31, 2020 for operating as guest houses of our Company pursuant to lease deeds, each dated December 31, 2015. For further details, see "Capital Structure", "Our Management", "Our Promoters and Promoter Group" and "Related Party Transactions" on pages 67, 196, 214 and 221, respectively.

42. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into several transactions with related parties, including for the purchase and sale of goods. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see "Related Party Transactions" on page 221. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

43. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see "Dividend Policy" on page 222.

44. We have had negative net cash flows in the past and may continue to have negative cash flows in the future.

We had negative cash flow from our operating and investing activities as set out below:

	Financial Year		
	2016 (₹ in millions)	2015 (₹ in millions)	2014 (₹ in millions)
Net Cash Flow from/(used in) Operating Activities	1,932.99	(647.06)	1,212.27
Net Cash Flow (used in) Investing Activities	(3,251.69)	(3,969.55)	(3,118.23)
Net Cash Flow from Financing Activities	1,049.58	4,860.81	2,030.35
Net increase/(decrease) in cash and cash equivalents	(269.12)	244.20	124.39

For further details, see "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 224 and 341, respectively. We cannot assure you that our net

cash flow will be positive in the future.

45. *We have commissioned industry reports from Frost & Sullivan which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us.*

We have commissioned Frost & Sullivan to produce reports on the pharmaceutical industry. Frost & Sullivan has provided us with reports titled 'Independent Market Research Report for IPO covering Anti-Retro Virals in Selected Geographies, June 2016' ("ARV Report"), 'Independent Market Research Report for IPO covering Hepatitis C in India, May 2016' ("Hepatitis C Report"), 'Independent Market Research Report for IPO covering Oncology in G7 Countries' ("Oncology Report"), 'Independent Market Research Report for IPO covering 'Contract Research and Manufacturing Services (CRAMS): in India, June 2016' ("CRAMS Report"), and 'Independent Market Research Report for IPO covering Nutraceuticals in Selected Geographies, June 2016' ("Nutraceuticals Report"), together referred to as the "Frost & Sullivan Report", which has been used for industry related data that has been disclosed in this Draft Red Herring Prospectus. These reports use certain methodologies for market sizing and forecasting. We have not independently verified such data. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context.

46. *Certain of our existing shareholders together may be able to exert substantial voting control over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.*

Following the completion of the Offer, certain of our existing shareholders will continue to hold approximately [●]% of our post-Offer Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholder approval. These existing shareholders will have the ability to significantly influence matters requiring shareholders approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any assignment or transfer of our interest in any of our licenses. In addition, if our shareholders do not act together, such matters requiring shareholder approval may be delayed or not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

External Risk Factors

Risks Related to India

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

We currently manufacture only in India and are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

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

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

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

49. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP, Ind-AS and IFRS, which may be material to investors' assessments of our financial condition.

Our Company prepares its annual and interim financial statements under Indian GAAP. Our Company is required to prepare annual and interim financial statements under Indian Accounting Standards (“Ind-AS”) from the current financial year as required under Section 133 of the Companies Act 2013 read with Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016. We have not attempted to quantify the impact of US GAAP, Ind-AS or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, Ind-AS or IFRS. US GAAP, Ind-AS and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements, which are restated as per SEBI ICDR Regulations included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. For further details, please see “Summary of Significant Differences Between Indian GAAP and Ind-AS” on page 360.

50. Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition.

Our financial statements, including the restated financial information included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP financial statements, which are restated as per the SEBI ICDR Regulations. The Ministry of Corporate Affairs, Government of India, pursuant to a notification dated February 16, 2015, set out the timelines for the implementation of Ind AS. Accordingly, our Company is required to prepare its financial statements in accordance with Ind AS from April 1, 2016, as required under Section 133 of the Companies Act 2013 read with Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016. The Ind AS is different in many aspects from Indian GAAP under which our financial statements are currently prepared and presented. For instance, financial instruments being classified as equity or financial liabilities based on the substance of the contractual arrangement rather than legal form, accounting policies related to determination of control for consolidation, accounting of acquisitions/business combinations, recording of minority interest, accounting for leases and revenue sharing arrangements, accounting of deferred taxes, use of fair value for recording assets and liabilities, classification of financial assets and liabilities, disclosure impact in connection with financial instruments, segment reporting, related party disclosures, interim financial reporting, in terms of Ind AS are different from the accounting policies for these items under Indian GAAP. Similarly, the Ministry of Finance, Government of India, has issued a notification dated July 6, 2016, stating that ICDS shall be applicable with effect from April 1, 2016, and is applicable fiscal 2017 onward. Therefore, ICDS will have a direct impact on computation of taxable income of our Company fiscal 2017 onwards. ICDS differs on several aspects from accounting standards including the Indian GAAP and Ind AS. As a result, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements.

Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations, cash flows or financial condition. Our management is devoting and will continue to need to devote time and other resources for the successful and timely implementation of Ind AS. A failure to successfully transition into the Ind AS regime may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences against our Company. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. There is not yet a significant body of established practice from which to draw references/judgments regarding the implementation and application of Ind AS. Any of these factors relating to the use of Ind AS may adversely affect our financial condition, results of operations and cash flows. For further details in relation to the impact of Ind AS on the preparation and presentation of our financial statements, see “Summary of Significant Differences between Indian GAAP and Ind AS” on page 360.

51. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act, 2002, as amended (the “**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and may result in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services in any manner, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or in any other similar way, or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance of or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be liable to punishment.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “**CCI**”). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. In the event that we enter into any agreements or transactions that are held to have an appreciable adverse effect on competition in the relevant market in India, the provisions of the Competition Act will be applicable. Any prohibition or substantial penalties levied under the Competition Act could materially and adversely affect our financial condition, cash flows and results of operations.

52. *Any downgrading of India’s debt rating by a domestic or international rating agency could adversely affect our business.*

India’s sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, which are outside our control. Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

53. *Changes in legislation or the rules relating to tax regimes could adversely affect our business, prospects, cash flows and results of operations.*

Our business is subject to a significant number of state tax regimes and changes in legislation governing the

rules implementing them or the regulator enforcing them in any one of those jurisdictions could adversely affect our cash flows results of operations. The applicable categories of taxes and tax rates also vary significantly from state to state, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see “Outstanding Litigation and Material Developments” on page 367. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government or State Governments that affect our industry include income tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government or State Governments could adversely affect our competitive position and profitability

The Government of India has proposed a comprehensive national goods and services tax (“**GST**”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Although the legislative bill has been passed by both houses of Parliament, we are unable to provide any assurance as to the exact date of when GST is to be introduced or any other aspect of the tax regime following implementation of the GST. Further, any disagreements between certain state governments may also create further uncertainty towards the implementation of the GST. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules (“**GAAR**”) is proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

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

54. Investors may not be able to enforce a judgment of a foreign court against our Company.

Our Company is incorporated under the laws of India. Most of our Company’s Directors and Key Management Personnel are residents of India and our assets are substantially located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained from courts outside India. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which include the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Code of Civil Procedure, 1908 (“**Civil Code**”) and thus a judgment of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered, may bring a fresh suit in a competent court in India, based on a final judgment that has been obtained in a non-reciprocating territory, within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis, or to the same extent, as was awarded in a final judgment rendered by a court in another jurisdiction, if the Indian court believes that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI, to repatriate any amount recovered pursuant to the execution of the judgment.

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

Under the foreign direct investment (“FDI”) policy of the Government of India, subject to certain conditions, FDI in “brownfield” pharmaceutical companies, such as ours, is allowed up to 74% under the automatic route. Any foreign direct investment beyond 74% will require prior government approval through the Foreign Investment Promotion Board. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if the non-resident shareholding is within the sectoral limits under the FDI policy and they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI’s prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

57. *A sustained increase in Indian price inflation may adversely affect our results of operations, cash flows and financial condition.*

In recent years, India’s wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a result in an increase in cost of services due to rise in the cost of wages, raw materials or any other expenses. If we are unable to reduce our costs or pass the impact of the increase in costs to our customers, our results of operations, cash flows and financial condition may be adversely affected.

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

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

59. *Our ability to raise foreign capital may be constrained by Indian law.*

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

Risks Related to the Offer

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

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

- 61. *Currency exchange rate fluctuations may affect the value of the Equity Shares independent of our financial results.***

The Equity Shares are, and will be quoted in Rupees on the Stock Exchanges. Any dividend in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

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

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under “Basis for Offer Price” on page 98 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price. The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, cash flows, the performance of our competitors, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalisation and deregulation policies, and significant developments in India’s fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have an adverse effect on the market price of the Equity Shares.

Further, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy.

In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruptions, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

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

After the completion of the Offer, our Promoters and significant shareholders will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Any future issuance of our Equity Shares, convertible securities or securities linked to the Equity Shares, including pursuant to employee stock option schemes of our Company, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. Pursuant to the SEBI ICDR Regulations, the Equity Shares held by employees of our Company (who continue to be employees as on the date of Allotment), which were allotted to such employees, pursuant to ESOP 2011 are exempt from lock-in requirements applicable to pre-Offer shareholders of our Company. The disposal of Equity Shares by any of our Promoters or other shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “Capital Structure” on page 67, no assurance may be given that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

64. Your ability to acquire and sell our Equity Shares in jurisdictions outside India is restricted by the distribution and transfer restrictions contained herein.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction except India. As such, the Equity Shares have not and will not be registered under the Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions contained herein. For details, see “Restrictions on Foreign Ownership of Indian Securities” on page 441.

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

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

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

66. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes:

- Our Company was originally incorporated as Laurus Labs Private Limited on September 19, 2005 at Hyderabad, Andhra Pradesh, India as a private limited company under the Companies Act, 1956. Our Company was subsequently converted into a public limited company and its name was changed to Laurus Labs Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on February 12, 2007. Subsequently the name of our Company was changed to Aptuit Laurus Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 19, 2007. Thereafter our Company was converted into a private limited company and its name was changed to Aptuit Laurus Private Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a private limited company was issued by the RoC on July 24, 2007. Subsequently the name of our Company was changed to Laurus Labs Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 21, 2012. Our Company was converted into a public limited company and the name of our Company was changed to Laurus Labs Limited. A fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on August 16, 2016. For details of change in the name and registered office of our Company, see “History and Certain Corporate Matters” on page 186.
- Initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] (including a premium of ₹[●]) aggregating to ₹[●] million comprising of the Fresh Issue and the Offer for Sale by our Company. The Offer will constitute at least [●]% of the post-Offer paid-up Equity Share capital of our Company.
- Our net worth was ₹8,518.19 million as on March 31, 2016, as per our Restated Consolidated Financial Statements while it was ₹8,673.95 million as per our Restated Unconsolidated Financial Statements. Further, our net worth was ₹7,221.00 million as on March 31, 2015, as per our Restated Consolidated Financial Statements while it was ₹7,272.68 million as per our Restated Unconsolidated Financial Statements included in this Draft Red Herring Prospectus. For details, see “Financial Statements” on page 224.
- Our net asset value per Equity Share, post the issue of bonus shares, was ₹137.53 as on March 31, 2016, as per our Restated Unconsolidated Financial Statements while it was ₹135.06 as at March 31, 2016, as per our Restated Consolidated Financial Statements. Further, our net asset value per Equity Share, post the issue of bonus shares, was ₹117.21 as on March 31, 2015, as per our Restated Unconsolidated Financial Statements while it was ₹116.38 as per our Restated Consolidated Financial Statements.
- The average cost of acquisition of Equity Shares by our Promoters is as follows:

Serial No.	Name of the Promoter	Average cost of acquisition of the Equity Shares (₹)
1.	Dr. Satyanarayana Chava	19.40
2.	Naga Rani C	13.46
3.	Dr. Raju Srihari Kalidindi	2.50
4.	Ravi Kumar V V	2.50
5.	Dr. Lakshman Rao C V	2.50

- Except as disclosed in the sections “Our Group Entity” and “Related Party Transactions” on pages 219 and 221, respectively, our Group Entity does not have business interests or other interests in our Company.
- For details in relation to the transactions entered into by our Company with the Group Entity, Associate Company and our Subsidiary during the Financial Year 2016, see “Related Party Transactions” on page 221.
- There have been no financing arrangements whereby our Promoter Group, Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of business during the period of six months immediately preceding the filing of the Draft Red Herring Prospectus.

Investors may contact the BRLMs that have submitted the due diligence certificate to SEBI, for any complaints, information or clarification pertaining to the offer. For further details regarding grievances in relation to the offer, see “General Information” on page 59.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from the Frost & Sullivan reports titled 'Independent Market Research Report for IPO covering Anti-Retro Virals (ARV) in Selected Geographies, June 2016' ("ARV Report"), 'Independent Market Research Report for IPO covering Hepatitis C in India, May 2016' ("Hepatitis C Report"), 'Independent Market Research Report for IPO covering Oncology in G7 Countries' ("Oncology Report"), 'Independent Market Research Report for IPO covering Contract Research and Manufacturing Services (CRAMS) in India, June 2016' ("CRAMS Report"), and 'Independent Market Research Report for IPO covering Nutraceuticals in Selected Geographies, June 2016' ("Nutraceuticals Report"), together ("Frost & Sullivan Report") which were commissioned by our Company and other publicly available sources. Unless specified otherwise, all information in this section has been derived from these reports. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Macroeconomic Overview of India

Against a global economic background of volatility and rising risks of extreme events, India is a beacon of growth on a steady expansionary path. The country's gross domestic product ("GDP") is expected to grow at an impressive CAGR of 5.6% between 2016 and 2022. Driven by strong macroeconomic fundamentals including moderate inflation, a narrow current account deficit, fiscal consolidation, and the Government's reform drive, India has overtaken China to become the world's fastest growing major economy in 2016. The future growth prospects of Asia's third-largest economy are also bright, even as many of the world's leading economies are slowing down.

The growth is likely to be supported by strong consumption demand aided by favorable demographics and the Government's 'reform to transform' approach. The development agenda of 'Vision 2022' seeks to ensure pan-India access to employment, economic opportunities, housing, electricity, water, sanitation, online connectivity, medical facilities and schools by 2022.

The Indian government has undertaken multiple initiatives to fast-track growth. Reforms to improve the business environment, enhance investment in infrastructure, liberalise norms for foreign direct investment ("FDI"), provide speedy resolutions to business disputes, along with simplifying and lowering corporate taxes have been initiated. Additionally, initiatives have been undertaken to improve the ease of doing business in India. For example, new de-licensing and de-regulation measures will reduce complexity and significantly increase the speed and transparency of transactions.

Flagship schemes of the Indian government such as 'Make in India', 'Skill India', 'Digital India', and 'Start-up India' are expected to create opportunities in all sectors of the economy and build long-term growth engines for the country. Furthermore, the Companies (Amendment) Act, 2015, has removed requirements of minimum paid-up capital and common seal for companies. All these initiatives are expected to make India an attractive destination to do business and thereby attract greater investment. Buoyed by these factors, India's ease of doing business rank, as per the World Bank estimates, improved from 134 in 2015 to 130 in 2016.

Overview of the Global Pharmaceutical Market:

The global pharmaceutical industry is in a state of flux, working towards win-win transformations across all value chains from manufacturers, providers, payers, and patients. The global pharmaceutical market was estimated to be around US\$ 894.2 billion in 2015 and is expected to grow at a CAGR (2015–2020) of 9.8% annually to reach US\$ 1427.1 billion by 2020.

North America accounted for the largest market share of around 40% by value, followed by Europe with around 32% of the market share. This is mainly due to the leading role of the US and European pharmaceutical industry.

In 2015, the generic drugs market comprised a major segment of the pharmaceutical industry valued at US\$ 330.87 Billion, covering a significant 37% share of the global pharmaceutical market. The generic market is poised for significant growth in the next few years and is expected to reach US\$ 557.37 billion in 2020, growing at a CAGR of

11% from 2015 to 2020.

The US is the world's largest generic pharmaceuticals market with a share of 25.4%, valued at US\$ 84.03 billion in 2015 and growing at a CAGR (2015–2020) of 7.4%. China ranks second, occupying around 18.6% market share of the global generics market and is valued at US\$ 61.4 billion, growing at a CAGR (2015–2020) of 12.3%. India has emerged as a major market for consumption as well as manufacturing of generics, targeting exports of 40% and above to the US each year.

Top 10 global generic pharmaceutical companies

The following chart sets forth the top 10 generic pharmaceutical companies globally. Three out of the 10 top generic companies are Indian.

S.No	Company	Revenues (2015) (USD Bn)
1	Teva Pharmaceutical Industries	9.5
2	Sandoz	9.2
3	Mylan	8.17
4	Fresenius Kabi	5.9
5	Hospira (Now a part of Pfizer)	4.7
6	Sun Pharmaceutical Industries	3.9
7	Aspen Pharmacare	2.3
8	Sanofi	2.1
9	Lupin	1.9
10	Cipla	1.8

Overview of the Indian Pharmaceutical Industry

The Indian pharmaceutical has been one of the success stories in the manufacturing sector, due to Indian manufacturers' expertise in chemistry, low cost arbitrage and their ability to align their processes with the most stringent regulations of the world, i.e. USFDA and MHRA.

The Indian pharmaceuticals industry has been growing between 12%-14% over the past of couple of years and on a broad level the industry is well geared to cater to the domestic needs of the country. The size of the pharmaceutical industry in India was estimated to be US\$22 billion of which formulations contributed US\$14 billion and the rest being accounted for by bulk drugs.

The Indian pharmaceutical industry is comprised of 70-75% generic drugs and rest being contributed by patented and innovative molecules and OTC products.

The Indian pharmaceutical industry accounts for the second largest number of Abbreviated New Drug Applications (“ANDAs”) and is the world's leader in Drug Master Files (“DMFs”) applications with the US. India is also the largest global exporter of formulations in terms of volume, and 12th in terms of export value, with 14% market share.

Advantage India: Pharmaceutical Sector

India is one among the top five pharmaceutical emerging markets globally and is a front runner in a wide range of specialties involving manufacturing and development of complex drugs. India has about 40% of all Abbreviated New Drug Application (ANDA) approvals from US FDA. The Indian API manufacturing industry is the third largest in the world, producing over 400 APIs. Globally Indian companies hold more than 90% of APIs approvals for ARVs, Anti-Tuberculosis and Anti-malarials.

India also has many other advantages and established credentials such as:

- **Well Qualified Skills and Resources:** India has the 2nd highest number of qualified doctors in the world. Of every six medical doctors in the US, one is an Indian. Around 700,000 science and Engineering graduates and 1,500 PhDs qualify annually. India has over 15,000 scientists across different fields of science and technology.

- **Global Recognition:** Indian generic manufacturers have reduced the cost of combination drug treatments for AIDS to as low as US\$120 a year per patient, which could otherwise cost thousands of dollars per year in the US or Europe. India also has the highest number of approvals from the US President's Emergency Plan for AIDS Relief (“PEPFAR”).
- **India as a Pharmacy to the World:** 70-90% of essential medicines for developing countries are supplied from India and 50% of medicines procured by UNICEF for developing countries are from India. Over 40% of generics prescribed in the US are procured from India.

SUMMARY OF OUR BUSINESS

The Company did not have any subsidiary during financial years 2012 and 2013 and therefore, the financial data for such years reflects the financial position of the Company on a standalone basis.

Overview

We are a leading research and development (“**R&D**”) driven pharmaceutical company in India, with a leadership position in generic active pharmaceutical ingredients (“**APIs**”) for select, high-growth therapeutic areas of anti-retrovirals (“**ARVs**”) and Hepatitis C. (Source: Frost & Sullivan Report) We also manufacture APIs in oncology and other therapeutic areas. Our strategic and early investments in R&D and manufacturing infrastructure have enabled us to become one of the leading suppliers of APIs in the ARV therapeutic area to multi-national pharmaceutical formulation companies which cater to the large and fast-growing “donor-funded access-to-medicines markets” of Sub-Saharan Africa, South-East Asia and Latin America. During the financial year 2016, we sold our APIs in 32 countries. We also have growing synthesis and nutraceutical/cosmeceutical ingredients businesses. Further, we are increasingly focused towards growing our integrated generics finished dosage forms (“**FDFs**”) business in which we have made significant investments over the last two financial years.

We operate in four business lines: Generics – APIs, Generics – FDFs, Synthesis and Ingredients. Our Generics – API business comprises the development, manufacture and sale of APIs and advanced intermediates; our Generics – FDF business comprises the development and manufacture of oral solid formulations; our Synthesis business includes contract development and manufacturing services for global pharmaceutical companies; and our Ingredients business comprises the manufacture and sale of specialty ingredients for use in the nutraceutical and cosmeceutical sectors. We have launched 59 products since our inception in 2005. Our key customers include Aspen Pharmacare Limited, Aurobindo Pharma Limited, Cipla Limited, Mylan Laboratories Limited, NATCO Pharma Limited (“**NATCO**”) and Strides Shasun Limited. For the financial year 2016, nine out of the 10 largest generic pharmaceutical companies in the world, by revenue, were our customers.

We believe our “research-first” approach has been critical to our success and a differentiating factor from our competitors. We set-up our first dedicated R&D center in Hyderabad, Telangana in 2006. We initially focused on research in the Oncology and ARV API areas and after making progress in R&D we commissioned our first API manufacturing facility in 2007. Our kilo lab at our R&D center at Hyderabad has received approvals from the United States Food and Drug Administration (“**US FDA**”), Pharmaceuticals and Medical Devices Agency (“**PMDA**”) of Japan and the Korea Food and Drug Administration (“**KFDA**”). We have also set up a R&D center in Greater Boston, United States in 2015. As of June 30, 2016, we employed 587 scientists at our R&D center in Hyderabad and 12 scientists at our R&D centre in Greater Boston, which constituted 25.0% of our total employee strength. The Company spent ₹906.52 million, ₹586.49 million and ₹424.40 million towards our R&D activities during the financial years 2016, 2015 and 2014, or 5.1%, 4.3% and 3.6% of our total revenues in such periods, respectively.

We are currently in the process of expanding our R&D center in Hyderabad and setting up another R&D center in Visakhapatnam, Andhra Pradesh. We believe that our systematic approach to selection of molecules, which involves evaluation of technical and commercial feasibility data, and customer feedback is evident from our high proportion of active Drug Master Files (“**DMFs**”), with the commercialization of 30 out of the 37 filed DMFs, as of June 30, 2016. As of June 30, 2016, the Company owned 32 patents and had 150 pending patent applications, in several countries.

We are committed to making continued investments to improve our manufacturing process efficiencies and backward integration strategy to maintain our cost competitiveness in our key products. We currently operate three manufacturing facilities in Visakhapatnam, Andhra Pradesh. Two of our facilities manufacture APIs and ingredients, while our third facility is for the manufacturing of APIs and FDFs. As of June 30, 2016, our operational manufacturing facilities have 435 reactors and an aggregate reactor volume of 1,833.6 KL. We also have a kilo lab near Hyderabad, Telangana. We are also in the process of setting up two additional manufacturing facilities, one for potent APIs (expected to commence operations by December 31, 2016) and the other for APIs, intermediates and ingredients (expected to commence construction during the financial year 2017). Post our planned expansion, our aggregate reactor volume will increase to 2,095.6 KL during the financial year 2017. Our manufacturing facilities have received one or more approvals from World Health Organization (“**WHO**”), US FDA, National Institute of Pharmacy Hungary (“**NIP Hungary**”), PMDA, KFDA or the Federal Institute for Drugs and Medical Devices (“**BfArM**”) of Germany. WHO and US FDA successfully conducted their last inspection at two of our facilities in Visakhapatnam in April 2015 and US FDA successfully conducted its last inspection at our kilo lab at Hyderabad in June 2016. We believe we have adopted uniform manufacturing standards across all our facilities to achieve

standardized quality for all our markets.

Among our Promoters, Dr. Satyanarayana Chava, Dr. Raju Srihari Kalidindi and Ravi Kumar V V have extensive experience in the pharmaceutical industry. Our shareholders include marquee investors such as Bluewater (belonging to the Warburg Pincus group), FIL Capital Management (part of Eight Roads Ventures, which was earlier known as Fidelity Growth Partners) and Aptuit (belonging to Welsh Carson Anderson & Stowe). Dr. Satyanarayana Chava was featured on the cover page of the September 2015 publication of Forbes India and our Company was recognized as one of the 13 hidden gems of India in that publication. We have received several awards including the 'Health Care Company of the Year' at the VC Circle Awards 2015, 'The Silver Certificate of Merit' at the Economic Times India Manufacturing Excellence Awards 2014 and 2013, and the Silver Certificate of Merit at the India Manufacturing Excellence Awards, 2015, and the 'Best Company in Emerging Markets' by Scrip magazine in 2012. The Government of India also awarded us the Vishwakarma Rashtriya Puraskar and National Safety Award in 2016 and 2014.

For the financial years 2016, 2015 and 2014, our total revenues were ₹17,913.65 million, ₹13,606.61 million and ₹11,685.34 million, respectively. Our total revenues, on a standalone basis, which were ₹4,523.07 million for the financial year 2012, grew at a CAGR of 41.0% between the financial years 2012 and 2016. For the financial years 2016, 2015, and 2014, our restated profit for the year was ₹1,326.51 million, ₹683.69 million and ₹972.17 million, respectively. Our restated profit, on a standalone basis, which was ₹215.77 million for the financial year 2012, grew at a CAGR of 60.6% between the financial years 2012 and 2016.

Strengths

Leadership in APIs in Select, High Growth Therapeutic Areas

We are a leading developer and manufacturer of generic APIs in select, high-growth therapeutic areas of ARV and Hepatitis C. (*Source: Frost & Sullivan Report*) We also manufacture APIs in oncology and other therapeutic areas. We are also a leading, independent supplier of APIs in the ARV therapeutic area to formulation companies catering to the large and fast-growing "donor-funded access-to-medicines" markets in low and middle-income countries of Sub-Saharan Africa, South-East Asia and Latin America. At the end of 2015, approximately 17 million people living with HIV were receiving ARV therapy globally and as countries continue to adopt the current WHO guidelines for treatment, approximately 23.5 million people are projected to be on ARV therapy by 2018, comprising approximately 22 million adults and approximately 1.4 million children. Further, with the change in WHO guidelines to initiate treatment earlier to all patients with HIV, regardless of their age and viral load, and Tenofovir Disoproxil Fumarate ("TDF") / Lamivudine ("3TC") (or Emtricitabine ("FTC")) / Efavirenz ("EFV") being the preferred first line treatment option for adults, pregnant and breast feeding women and adolescents, the market for this regimen will significantly grow. (*Source: ARV Report*) Our key products for ARV therapy include EFV, TDF, 3TC and FTC. We are well positioned to capitalize on the ARV API opportunity as a result of our portfolio and scale of operations. Further, we believe that we are favorably positioned to benefit from the near term patent expiry of ARV drugs in the regulated markets of US and Europe. (*Source: ARV Report*)

According to the WHO, it has been estimated that there are around 170 to 185 million people in the world chronically infected with Hepatitis C and between two and four million new cases of Hepatitis C are added every year. Of these, approximately 12 to 18 million people are infected with Hepatitis C in India. (*Source: Hepatitis C Report*) We have contracted with NATCO, for the manufacture and sale of Hepatitis C APIs comprising Sofosbuvir, Ledipasvir, Daclatasvir and Velpatasvir. We have a portfolio of products in the Oncology therapeutic area, a market which is expected to grow steadily at 7% to 8% between 2015 and 2020 to reach a value of US\$152 billion in 2020. (*Source: Oncology Report*) As of June 30, 2016, our Oncology portfolio consists of 15 active DMFs and we supply Oncology APIs to global generic multinational pharmaceutical companies.

Strong R&D Capabilities and Process Chemistry Skills

We believe our "research-first" approach has been critical to our success and a differentiating factor from our competitors. We are focused on undertaking dedicated R&D in our existing products and in areas where we believe there is significant growth potential. We believe that our systematic approach to selection of molecules, which involves evaluation of technical and commercial feasibility data, and customer feedback, is evident from our high proportion of active DMFs, with the commercialization of 30 out of the 37 filed DMFs, as of June 30, 2016. As of June 30, 2016, the Company owned 32 patents and had 150 pending patent applications, in several countries, and have commercialized 59 products since our inception. The Company's total expenditure for R&D activities, including for product development costs, was ₹906.52 million for the financial year 2016 compared to ₹586.49 million for the financial year 2015 and ₹424.40 million for the financial year 2014. As of June 30, 2016, we

employed 599 scientists at our R&D centers, which constituted 25.0% of our total employee strength.

In April 2014, we implemented electronic lab notebook software at our R&D center in Hyderabad for recording experimental data which enables online access and improves the efficiency of our R&D efforts. We believe that our R&D efforts have led, and will continue to lead, to new, innovative processes that can increase the efficiencies of our existing products as well as address new opportunities that we have identified in the global market for our businesses.

We believe that our superior process chemistry skills and cost effective process optimization have led to new synthetic routes and product variants, and have given us market leadership for our key products in the ARV, Oncology and Hepatitis C therapeutic areas.

Industry Leading, Modern and Regulatory Compliant Manufacturing Capacities

We have three manufacturing facilities in Visakhapatnam and a kilo lab facility in Hyderabad, which have received one or more approvals from WHO, US FDA, PMDA, NIP Hungary, KFDA or BfArM. We believe quality is a key differentiator in our business and have made strong efforts to adopt uniform manufacturing standards across all our facilities and to achieve standardized product quality for all our markets. In order to meet the growing demand for our products, we have increased the aggregate reactor volume of our facilities to 1,833.6 KL, as of June 30, 2016. Post our planned expansion, our aggregate reactor volume will increase to 2,095.6 KL during the financial year 2017. We believe that our significant investment in enhancing our manufacturing capabilities has also resulted in economies of scale and helped us in consistently gaining market share in an expanding market for our key ARV APIs. We believe our manufacturing facilities are capable of large scale commercial production of APIs enabling us to position ourselves as suppliers of choice for pharmaceutical companies seeking to leverage our technical expertise, cost effective manufacturing and capacities. We are further building on our API strengths to forward integrate into FDF. As of March 31, 2016, we had invested ₹2,013.66 million to set up an FDF manufacturing facility, which has a current capacity of 1 billion tablets per year and have civil infrastructure in place which could increase our manufacturing capacity at this facility to 5 billion tablets per year, after incurring additional investments.

Long-standing Relationships with Multi-National Pharmaceutical Companies

We have maintained long-standing relationships with multi-national pharmaceutical companies. Our top five customers have been with us for at least five years and these customers, in aggregate, contributed to approximately 67.8% of our total revenue and our cumulative revenue from such customers has grown year over year for the last three financial years. Further, we believe that our unique position as a preferred supplier of APIs to several major participants in the tender driven ARV markets insulates us from the wins and losses of our customers and significantly hedges us against revenue volatility. Our Oncology and other products are supplied to the US and European markets, where we believe our product quality, regulatory compliant manufacturing and customer relationships have helped us to strengthen our competitive position.

Experienced Promoters and Qualified Operational Personnel

We are led by qualified and experienced Promoters and key managerial personnel, who we believe have extensive knowledge and understanding of the global generic pharmaceutical business environment and have the expertise and vision to organically scale up our business. We believe that the knowledge and experience of our senior and middle-level management team members in the pharmaceutical business provides us with a significant competitive advantage as we seek to grow our business. Our core managerial team has an average pharmaceutical industry experience of more than 20 years and almost all of them have been associated with our Company since our formative years. For further details of our key managerial personnel, see “Our Management” on page 196.

Our founder, one of our Promoters and our Chief Executive Officer, Dr. Satyanarayana Chava has been associated with the pharmaceutical industry for the past 23 years, especially in areas of R&D, technical operations, business development and organization building. Dr. Satyanarayana Chava has been determined as inventor in 103 patents granted or patent applications filed. He was featured on the cover page of September 2015 issue of Forbes India. Dr. Raju Srihari Kalidindi, who is also a Promoter of our Company, has 23 years of experience in the pharmaceutical industry and his areas of expertise include R&D, operations, regulatory affairs, sourcing and business development. Dr. Raju Srihari Kalidindi has been determined as inventor in 11 patents granted or patent applications filed across the world. Another one of our Promoters and our Chief Financial Officer, Ravi Kumar V V has over 25 years of experience in finance, IT, human resources and supply chain areas. Dr. Lakshmana Rao C V, also a promoter, has over 13 years of experience in quality control, quality assurance and regulatory affairs. Each of them has been

instrumental in formulating and executing the core strategy of our Company.

Established Track Record of Delivering Growth

Our Company was incorporated in 2005, and we have delivered consistent growth over the last five financial years both in terms of financial and operational metrics. Our total revenues, on a standalone basis, have grown at a CAGR of 41.0% from ₹4,523.07 million for the financial year 2012 to ₹17,884.15 million for the financial year 2016 and our restated profit for the year, on a standalone basis, has grown at a CAGR of 60.6% from ₹215.77 million for the financial year 2012 to ₹1,435.68 million for the financial year 2016.

Strategy

Capitalize on Our Leadership Position in APIs in Select, High-Growth Therapeutic Areas

We are particularly focused on growing our presence in our key therapeutic areas, comprising ARV, Hepatitis C and Oncology. We have built a leadership position in the manufacturing of APIs in the ARV therapeutic area and believe that there are significant growth opportunities in this area as a result of expected increase in the HIV patient pool with the current WHO guidelines recommending initiating early treatment for infected HIV patients, regardless of age and viral load. At the end of 2015, approximately 17 million people were receiving antiretroviral therapy of the total 36.7 million people living with HIV globally, representing approximately 46% of the total HIV population. It is estimated that approximately 54% of people living with HIV do not have any access to HIV treatment which presents significant growth opportunity for generic drug manufacturers. (Source: ARV Report) In addition, many of the APIs in our current ARV portfolio for donor funded markets will bring significant near term opportunities for the US and European markets after the relevant patents expire in these markets.

According to the WHO, it has been estimated that there are around 170 to 185 million people in the world chronically infected with Hepatitis C and between two and four million new cases of Hepatitis C are added every year. (Source: Hepatitis C Report) The latest direct acting anti-viral drugs (“DAAs”), such as Sofosbuvir, Daclatasvir and the combination of Ledipasvir and Sofosbuvir (Harvoni) have brought about a significant change in the treatment and cure of Hepatitis C. (Source: Frost & Sullivan Report) Our Company has entered into a long-term license agreement with Gilead Sciences Ireland UC to manufacture and sell Sofosbuvir, Ledipasvir and Velpatasvir within specified jurisdictions. Our Company has also entered into a tripartite sublicense and technology transfer agreement with Bristol-Myers Squibb Company and the Medicines Patent Pool Foundation for the manufacture and sale of Daclatasvir for ultimate use in specified jurisdictions. Our Company has entered into an arrangement to manufacture and sell Hepatitis C APIs with NATCO, who commands a 38.5% share of the Indian Hepatitis C market, and positions us well to capture growth from higher patient volumes. (Source: Hepatitis C Report) In the Oncology therapeutic area, we are focused on increasing sales of our existing products and commercializing new products. We continually aim to utilize advanced technologies to bring in cost efficiency in existing API products and processes and enhance our product portfolio through investments in R&D.

Expand our API Portfolio

We intend to continue to leverage our process chemistry skills to expand our API product portfolio. We have developed several products in the anti-diabetic, cardio vascular and gastroenterology therapeutic areas and are currently in the process of setting up dedicated capacities to manufacture products in these therapeutic areas at our Unit 3 manufacturing facility. We believe that our regulatory compliant manufacturing facilities are attracting global generic pharmaceutical companies to engage us for the contract manufacturing of generic APIs. We currently have four customer contracts for manufacturing of generic APIs.

Leverage API Cost Advantage for Forward Integration into Generic Finished Dosage Formulation

We are further building on our API strengths to forward integrate and become a leading FDF player in the global generic pharmaceutical market. We believe that our presence in API production improves our ability to maintain quality and mitigates the demand-supply fluctuations that affect generics markets thereby providing for consistency and reliability of supply in an increasingly regulated global environment. As of March 31, 2016, The Company had spent ₹906.52 million towards our R&D activities and ₹2,013.66 million to set up a FDF manufacturing facility and intend to further increase our R&D and manufacturing capacities and expertise in development, manufacture and sale of oral solid formulations, which we believe offers significant growth opportunities in ARVs, Anti-diabetic, Cardio Vascular and Hepatitis C therapeutic areas. As of March 31, 2016, we had spent ₹191.03 million towards product development expenses in our FDF business. Our API production presence at the same location will be key to the growth of our FDF business and allows us to capture significant operating efficiencies. We intend to file and

market our own registrations in the US and European markets and also collaborate with generic companies having front end presence for the sale and marketing of our FDF products. We have recently filed one dossier with WHO and an ANDA application in the United States. We currently have contracts with generic pharmaceutical companies such as Citron Pharma LLC (“**Citron**”), NATCO and Dr. Reddy’s Laboratories Limited for the development of finished dosage products in the several therapeutic area on a profit and cost sharing basis.

Develop Our Synthesis Business

We leverage our strong process chemistry skills to provide synthesis services. As part of our synthesis business, we work with global pharmaceutical companies for providing analytical and research services, clinical research supplies and commercial scale contract manufacturing services. We also intend to provide services to some of our partners to improve process efficiency during the clinical phase of development. During the financial year 2015, we established our wholly owned subsidiary in the United States, Laurus Synthesis Inc., to directly offer process chemistry services to US clients. With a view to develop our pipeline for clinical phase manufacturing of new chemical entities and contribute to the supply chain of our customers, we established a presence in Greater Boston, Massachusetts, in 2015 with 12 scientists and four sales personnel who are focused on strengthening our synthesis business. We intend to focus more on the supply of key starting materials and intermediates for new chemical entities as the molecules move to Phase III and to a commercial stage, which would result in significant revenue.

Our Company has entered into an intermediate toll manufacturing and supply agreement with an entity in the Aspen Group, pursuant to which our Company manufactures and supplies certain hormonal intermediates to such entity. We have set up a dedicated manufacturing block at our Unit 1 manufacturing facility for this purpose. We are also in the process of setting up Unit 5 as a dedicated manufacturing block to manufacture and supply products exclusively to the Aspen Group. Our Unit 5 is expected to commence operations by December 31, 2016.

Strengthen Our Ingredients Business

We currently develop and manufacture specialty ingredients for use in nutraceutical, dietary supplements and cosmeceutical products. The nutraceutical and cosmeceutical sectors are undergoing consolidation globally and implementing quality standards similar to that of the pharmaceutical industry. Because of the implementation of such quality standards, we intend to leverage our strong process chemistry skills to strengthen our presence in the nutraceutical and cosmeceuticals sectors in the manufacture of nature identical substances. Our current portfolio of products are used as anti-oxidants, skin brighteners and UV protection agents. We are also developing capabilities for botanical extraction and purification, to capture the growing market of natural ingredients. We are currently in the process of setting up a separate manufacturing facility to add to our existing capacity for botanical extraction and chemical synthesis.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Unconsolidated Financial Statements of our Company and the Restated Consolidated Financial Statements of our Company.

The Restated Financial Statements have been prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations and presented under the “Financial Statements” on page 224. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 224 and 341 respectively.

RESTATED UNCONSOLIDATED FINANCIAL INFORMATION ON ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at March 31				
	2016	2015	2014	2013	2012
Equity and liabilities					
Shareholders' funds					
Share capital	823.80	821.25	778.40	777.01	777.01
Reserves and surplus	7,850.15	6,451.43	2,805.77	1,815.98	914.85
Non-current liabilities					
Long-term borrowings	4,606.28	3,036.77	1,881.72	687.03	363.37
Deferred tax liability (net)	447.76	102.67	118.18	-	-
Other long-term liabilities	441.56	446.58	-	-	41.81
Long-term provisions	67.71	51.26	39.33	28.01	17.73
Current liabilities					
Short-term borrowings	4,682.19	4,316.35	3,121.84	1,778.42	1,289.88
Trade payables					
Outstanding dues to micro enterprises and small enterprises	5.22	2.73	5.11	0.57	-
Outstanding dues to creditors other than micro enterprises and small enterprises	2,519.63	2,298.01	2,269.40	1,321.84	968.35
Other current liabilities	1,443.17	1,331.44	1,641.16	569.01	718.75
Short-term provisions	196.01	67.00	69.67	32.02	37.03
Total	23,083.48	18,925.49	12,730.58	7,009.89	5,128.78
Assets					
Non-current assets					
Fixed assets					
Tangible assets	10,721.85	7,944.14	4,940.13	2,342.64	1,862.53
Intangible assets	63.88	61.15	46.78	12.89	2.87
Capital work-in-progress	696.00	1,072.54	1,160.99	727.81	321.15
Non-current investments	261.24	191.11	4.55	-	-
Deferred tax assets (net)	-	-	-	118.20	97.00
Long-term loans and advances	1,276.80	930.14	683.90	303.46	69.64
Other non-current assets	90.44	139.62	145.24	78.22	77.16
Current assets					
Inventories	4,870.93	4,754.96	3,280.97	1,561.90	986.32
Trade receivables	4,437.01	2,850.45	1,948.75	1,566.96	1,483.14
Cash and bank balances	238.83	555.64	230.41	136.17	93.24
Short-term loans and advances	294.25	309.36	252.46	124.18	78.17
Other current assets	132.25	116.38	36.40	37.46	57.56
Total	23,083.48	18,925.49	12,730.58	7,009.89	5,128.78

RESTATED UNCONSOLIDATED FINANCIAL INFORMATION ON PROFITS AND LOSSES

(₹ in million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Income					
Revenue from operations (Gross)	18,142.44	13,376.47	11,656.86	7,225.42	4,540.95
Less: Excise duty	334.08	113.34	59.69	40.31	33.77
Revenue from operations (Net)	17,808.36	13,263.13	11,597.17	7,185.11	4,507.18
Other income	75.79	340.67	88.17	50.56	15.89
Total revenue (A)	17,884.15	13,603.80	11,685.34	7,235.67	4,523.07
Expenses					
Cost of materials consumed	10,145.06	9,066.23	7,882.88	4,431.32	2,714.78
Purchase of traded goods	149.50	61.85	79.01	23.24	40.77
Increase in inventories of finished goods and work-in-progress	(250.78)	(844.53)	(702.93)	(331.94)	(101.32)
Other manufacturing expenses	1,690.29	1,232.24	776.61	536.65	265.40
Employee benefits expenses	1,712.18	1,294.70	1,041.15	763.53	596.98
Operating and selling expenses	541.89	399.25	431.80	313.98	212.10
Total Expenses (B)	13,988.14	11,209.74	9,508.52	5,736.78	3,728.71
Restated earnings before interest, tax, depreciation and amortisation (EBITDA) (A-B)	3,896.01	2,394.06	2,176.82	1,498.89	794.36
Depreciation and amortisation	915.67	612.83	328.80	226.28	182.70
Finance expenses	1,199.57	1,061.57	639.47	411.62	395.89
Restated profit before tax	1,780.77	719.66	1,208.55	860.99	215.77
Tax expense					
Current Tax	380.64	152.25	262.44	170.24	20.45
Minimum alternate tax credit entitlement	(380.64)	(152.25)	(262.44)	(170.24)	(20.45)
Deferred tax charge/(credit)	345.09	(15.51)	236.38	(21.20)	0.00
Total tax expense /(credit)	345.09	(15.51)	236.38	(21.20)	0.00
Restated profit for the year	1,435.68	735.17	972.17	882.19	215.77

RESTATED UNCONSOLIDATED FINANCIAL INFORMATION ON CASH FLOWS

(₹ in million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Cash Flow From Operating Activities					
Profit Before Tax	1,780.77	719.66	1,208.55	860.99	215.77
Adjustments for :					
Depreciation and amortisation	915.67	612.83	328.80	226.28	182.70
Loss/ (profit) on sale of fixed assets (net)	2.98	(0.16)	1.35	2.33	1.02
Interest income	(23.60)	(21.65)	(34.89)	(12.71)	(7.78)
Interest expense	1,037.49	862.43	514.56	340.65	364.90
Employee stock option charge	22.43	9.10	17.62	18.94	10.35
Net loss/(gain) on foreign exchange fluctuations (unrealised)	55.05	(116.81)	(52.36)	(12.68)	(5.04)
Liabilities no longer required written back	-	(16.45)	-	(3.82)	-
Advances and bad debts written off	18.86	0.99	3.29	30.79	-
Provision for/(reversal of) doubtful advance and receivables	(5.32)	0.76	2.36	1.49	0.13
Provision for diminution in value of investments	-	4.55	-	-	-
Provision for insurance claim receivable	-	0.73	29.12	-	-
Gratuity and compensated absences	38.45	25.76	20.77	18.98	12.53
Operating Profit Before Working Capital Changes	3,842.78	2,081.74	2,039.17	1,471.24	774.58
Movement In Working Capital:					
Increase in inventories	(115.96)	(1,473.99)	(1,719.07)	(575.58)	(230.09)
Increase in trade receivables	(1,600.30)	(897.21)	(392.96)	(111.11)	(204.09)
Increase in long term loans and advances	(8.26)	(35.69)	(4.98)	(8.72)	(2.78)
(Increase)/ Decrease in short term loans and advances	12.83	(57.40)	(130.32)	(45.93)	(12.42)
(Increase)/ Decrease in other non current assets	(24.47)	(26.74)	19.44	(5.61)	(15.36)
(Increase)/ Decrease in other current assets	(14.01)	(76.71)	(32.07)	24.57	(48.38)
Increase/ (Decrease) in other long term liabilities	(55.20)	548.52	-	(41.81)	41.81
Increase in trade payables	249.24	90.04	1,002.63	364.04	78.03
Increase/ (Decrease) in other current liabilities	131.12	(573.00)	664.67	(4.61)	10.19
Cash Generated From Operations	2,417.77	(420.44)	1,446.51	1,066.48	391.49
Direct taxes paid	(333.02)	(168.18)	(234.24)	(184.40)	(3.26)
Net Cash Flow from/ (used in) Operating Activities (A)	2,084.75	(588.62)	1,212.27	882.08	388.23
Cash Flow Used In Investing Activities					
Purchase of tangible assets, including intangible assets, capital work in progress and capital advances	(3,323.51)	(3,802.24)	(3,090.85)	(1,186.72)	(443.18)
Proceeds from sale of fixed assets	5.68	9.70	32.67	0.53	0.79
Proceeds from/ (Investments in) bank deposits	112.46	(76.12)	(56.92)	(57.09)	(15.06)
Purchase of investment	(70.13)	(191.11)	(4.55)	-	-
Net Cash Flow Used In Investing Activities (B)	(3,275.50)	(4,059.77)	(3,119.65)	(1,243.28)	(457.45)
Cash Flow From Financing Activities					
Proceeds from issue of equity shares	2.55	1.32	1.39	-	2.00
Proceeds from Issue of CCPCPS-Series C Preference Shares (Net of share issue expenses of Rs. Nil (March 31, 2015: Rs. 57.10, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil, March 31, 2012: Rs. 10.52)	-	2,942.90	-	-	591.49

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Repayment of long - term borrowings	(1,341.31)	(1,187.74)	(434.12)	(605.98)	(477.55)
Proceeds from long - term borrowings	2,898.24	2,748.09	1,576.27	785.26	49.78
Proceeds from short - term borrowings (net)	363.45	1,184.60	1,360.85	489.98	304.37
Interest received	27.19	13.33	38.10	10.19	1.73
Interest paid	(1,031.91)	(841.69)	(512.14)	(335.00)	(363.26)
Net Cash Flow From Financing Activities (C)	918.21	4,860.81	2,030.35	344.45	108.56
Net increase in cash and cash equivalents (A+B+C)	(272.54)	212.42	122.97	(16.75)	39.34
Cash and Cash Equivalents at the beginning of the year	362.08	149.66	26.69	43.44	4.10
Cash and Cash Equivalents at the end of the year	89.54	362.08	149.66	26.69	43.44
Notes:					
Components of Cash and Cash Equivalents:					
Cash on hand	2.30	2.29	0.62	1.81	1.24
Balances with banks					
On current accounts	86.75	209.79	149.04	24.88	42.20
Deposits with original maturity of less than three months	0.49	150.00	-	-	-
Total Cash and Cash Equivalents	89.54	362.08	149.66	26.69	43.44

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at March 31		
	2016	2015	2014
Equity and liabilities			
Shareholders' funds			
Share capital	823.80	821.25	778.40
Reserves and surplus	7,694.39	6,399.75	2,805.77
Non-current liabilities			
Long-term borrowings	4,606.28	3,036.77	1,881.72
Deferred tax liabilities (net)	447.76	102.67	118.18
Other long-term liabilities	441.56	446.58	-
Long-term provisions	67.71	51.26	39.33
Current liabilities			
Short-term borrowings	4,814.19	4,316.35	3,121.84
Trade payables			
Outstanding dues to micro enterprises and small enterprises	5.22	2.73	5.11
Outstanding dues to creditors other than micro enterprises and small enterprises	2,488.15	2,305.36	2,269.62
Other current liabilities	1,445.37	1,333.43	1,642.50
Short-term provisions	196.03	67.00	69.67
Total	23,030.46	18,883.15	12,732.14
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10,792.59	7,948.99	4,942.58
Intangible assets	63.88	61.15	46.78
Capital work-in-progress	696.00	1,096.69	1,160.99
Goodwill on consolidation	-	-	3.39
Non-current investments	70.45	74.47	-
Long-term loans and advances	1,286.31	939.44	685.04
Other non-current assets	90.56	139.73	145.24
Current assets			
Inventories	4,870.93	4,754.96	3,280.97
Trade receivables	4,448.57	2,850.66	1,948.76
Cash and bank balances	277.35	588.85	231.95
Short-term loans and advances	301.57	311.83	250.04
Other current assets	132.25	116.38	36.40
Total	23,030.46	18,883.15	12,732.14

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON PROFITS AND LOSSES

(₹ in million)

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Income			
Revenue from operations (Gross)	18,171.80	13,379.24	11,656.86
Less: Excise duty	334.08	113.34	59.69
Revenue from operations (Net)	17,837.72	13,265.90	11,597.17
Other income	75.93	340.71	88.17
Total revenue (A)	17,913.65	13,606.61	11,685.34
Expenses			
Cost of materials consumed	10,182.88	9,066.30	7,882.88
Purchase of traded goods	149.50	61.85	79.01
Increase in inventories of finished goods and work-in-progress	(250.78)	(844.53)	(702.93)
Other manufacturing expenses	1,553.56	1,232.39	776.61
Employee benefits expenses	1,897.49	1,328.20	1,041.15
Operating and selling expenses	583.25	419.88	431.80
Total expenses (B)	14,115.90	11,264.09	9,508.52
Restated earnings before interest, tax, depreciation and amortisation (EBITDA) (A-B)	3,797.75	2,342.52	2,176.82
Depreciation and amortisation	921.88	615.26	328.80
Finance expenses	1,200.25	1,061.57	639.47
Restated profit before tax	1,675.62	665.69	1,208.55
Tax expense			
Current tax	380.66	152.25	262.44
Minimum alternate tax credit entitlement	(380.66)	(152.25)	(262.44)
Deferred tax charge/(credit)	345.09	(15.51)	236.38
Total tax expense /(credit)	345.09	(15.51)	236.38
Share of results of associate	(4.02)	2.49	-
Restated profit for the year	1,326.51	683.69	972.17

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON CASH FLOWS

(₹ in million)

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Profit Before Tax and share of associate	1,675.62	665.69	1,208.55
Adjustments for :			
Depreciation and amortisation	921.88	615.26	328.80
Loss/ (profit) on sale of fixed assets (net)	2.98	(0.16)	1.35
Interest income	(23.60)	(21.69)	(34.89)
Interest expense	1,038.13	862.43	514.56
Employee Stock Option Charge	22.43	9.10	17.62
Net loss/(gain) on foreign exchange fluctuations (unrealised)	55.05	(116.81)	(52.36)
Liabilities no longer required written back	-	(16.45)	-
Impairment of goodwill on consolidation	-	3.39	-
Advances and bad debts written off (Net)	16.56	0.99	3.29
Provision for/(reversal of) doubtful advance and receivables	(5.32)	0.26	2.36
Provision for insurance claim receivable	-	0.73	29.12
Gratuity and compensated absences	38.45	25.76	20.77
Operating Profit Before Working Capital Changes	3,742.18	2,028.50	2,039.17
Foreign currency translation adjustments	1.32	(0.20)	-
Movement In Working Capital:			
Increase in inventories	(115.96)	(1,473.99)	(1,719.07)
Increase in trade receivables	(1,611.64)	(897.41)	(392.96)
Increase in long term loans and advances	(8.26)	(43.86)	(4.98)
(Increase)/ Decrease in short term loans and advances	13.50	(52.46)	(130.32)
(Increase) / Decrease in other non current assets	(24.67)	(26.74)	19.44
Increase in other current assets	(15.45)	(83.04)	(32.07)
Increase/ (Decrease) in other long term liabilities	(55.20)	543.47	-
Increase in trade payables	210.02	97.20	1,002.63
Increase/ (Decrease) in other current liabilities	130.17	(570.35)	664.67
Cash Generated From Operations	2,266.01	(478.88)	1,446.51
Direct taxes paid	(333.02)	(168.18)	(234.24)
Net Cash Flow from/ (used in) Operating Activities (A)	1,932.99	(647.06)	1,212.27
Cash Flow Used In Investing Activities			
Purchase of tangible assets, including intangible assets, capital work in progress and capital advances	(3,369.83)	(3,831.15)	(3,090.85)
Proceeds from sale of fixed assets	5.68	9.70	32.67
Proceeds from/ (Investments in) bank deposits	112.46	(76.12)	(56.92)
Purchase of investment	-	(71.98)	(3.13)
Net Cash Flow Used In Investing Activities (B)	(3,251.69)	(3,969.55)	(3,118.23)
Cash Flow From Financing Activities			
Proceeds from issue of equity shares	2.55	1.32	1.39
Proceeds from Issue of CCPCPS-Series C Preference Shares (Net of share issue expenses of Rs. Nil (March 31, 2015: Rs. 57.10, March 31, 2014: Rs. Nil)	-	2,942.90	-
Repayment of long - term borrowings	(1,341.31)	(1,187.74)	(434.12)
Proceeds from long - term borrowings	2,898.24	2,748.09	1,576.27
Proceeds from short - term borrowings (Net)	495.46	1,184.60	1,360.85
Interest received	27.19	13.33	38.10
Interest paid	(1,032.55)	(841.69)	(512.14)
Net Cash Flow From Financing Activities (C)	1,049.58	4,860.81	2,030.35
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	(269.12)	244.20	124.39
Cash and Cash Equivalents at the beginning of the year	395.28	151.08	26.69

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Effect of exchange differences on cash and cash equivalents	1.90	-	-
Cash and Cash Equivalents at the end of the year	128.06	395.28	151.08
Notes:			
Components of Cash and Cash Equivalents:			
Cash on hand	2.31	2.31	0.62
Balances with banks			
On current accounts	125.26	242.97	150.46
Deposits with original maturity of less than three months	0.49	150.00	-
Total Cash and Cash Equivalents	128.06	395.28	151.08

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares	Up to [●] Equity Shares
<i>of which</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares
Offer for Sale ⁽²⁾	Of 24,844,240 Equity Shares
<i>of which</i>	
Employee Reservation Portion ⁽³⁾	Up to [●] Equity Shares
<i>Accordingly,</i>	
Net Offer	Upto [●] Equity Shares
<i>of which</i>	
A) QIB portion ⁽⁴⁾⁽⁵⁾	[●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion excluding the Anchor Investor Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽⁵⁾	Not less than [●] Equity Shares
C) Retail Portion ⁽⁵⁾	Not less than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	98,628,404 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See “Objects of the Offer” on page 90 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see “Offer Procedure - Basis of Allotment” on page 430.

- (1) *The Fresh Issue has been authorised by a resolution of our Board of Directors dated August 9, 2016 and a special resolution of our Shareholders in their EGM dated August 11, 2016.*
- (2) *The Offer for Sale has been authorised by the Selling Shareholders as follows:*

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent/authorisation/resolution
Aptuit	9,040,240	June 15, 2016
Bluewater	9,000,000	August 16, 2016
FIL Capital Management	6,760,000	August 10, 2016
FIP (acting through its trustee FIL Capital Advisors)	44,000	August 11, 2016

The Equity Shares being offered by each Selling Shareholder have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations and are eligible for being offered for sale in the Offer.

- (3) *Retail Discount of ₹[●] to the Offer Price may be offered to the Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion.*
- (4) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (excluding Anchor Investor*

Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 397. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations

- (5) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange*

Note: The Retail Discount, if any, will be determined by our Company in consultation with the BRLMs and will be advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Telugu newspaper [●] (Telugu being the regional language of Andhra Pradesh, where the Registered Office of the Company is situated), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount), at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Retail Discount) does not exceed ₹200,000. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Bid Amount while filling the “SCSB/Payment Details” block in the Bid cum Application Form.

GENERAL INFORMATION

Registered Office

Laurus Labs Limited

Plot No.21
Jawaharlal Nehru Pharma City
Parawada, Visakhapatnam 531 021
Andhra Pradesh, India
Tel: +91 891 3061222
Fax: +91 891 3061270
E-mail: secretarial@lauruslabs.com
Website: www.lauruslabs.com

Corporate Office

Laurus Labs Limited

2nd Floor, Serene Chambers
Road No. 7, Banjara Hills
Hyderabad 500 034
Telangana, India
Tel: +91 40 3980 4333
Fax: +91 40 3980 4320

Corporate Identity Number: U24239AP2005PLC047518

Registration Number: 047518

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies

2nd Floor, Corporate Bhawan
GSI Post, Tattianaram Nagole
Bandlaguda, Hyderabad 500 068
Telangana, India

Board of Directors

The Board of our Company as on the date of filing of this Draft Red Herring Prospectus comprises the following:

Name	Designation	DIN	Address
Amal Ganguli	Non-Executive, Chairman and Independent Director	00013808	J-6/7, DLF Phase II Gurgaon 122002 Haryana, India
Dr. Satyanarayana Chava	Executive, Whole Time Director and Chief Executive Officer	00211921	H.No. 8-2-293/82/A/303, Plot No. 303 Road No. 25, Jubilee Hills Hyderabad 500 033 Telangana, India
Dr. Raju Srihari Kalidindi	Executive, Whole Time Director	00982034	Villa No. 3, Aparna Orchids Izzatnagar, Kondapur Hyderabad 500 084 Telangana, India
Ravi Kumar V V	Executive, Whole Time Director and Chief Financial Officer	01424180	Villa No. 46 Lumbini SLN Springs Residency Gachibowli Hyderabad 500 032 Telangana, India
Chandrakanth Chereddi	Executive, Whole Time Director	06838798	Plot No. 63, Prashasan Nagar Road No. 72, Jubilee Hills Hyderabad 500096

Name	Designation	DIN	Address
Francis Jackson Wright	Non-Executive, Nominee Director	01609467	III Park Avenue Apartment 12C New York NY 10128 United States of America
Rajesh Kumar Dugar	Non-Executive, Nominee Director	00307729	31, Chitrakoot Altamount Road Mumbai 400 026 Maharashtra, India
Narendra Ostawal	Non-Executive, Nominee Director	06530414	G/601, Gundecha Gardens Bombay Gas Compoud, Lalbaug Mumbai 400 012 Maharashtra, India
Conner Town Mulvee	Non-Executive, Nominee Director	07122602	233 E 17 th Street Apt 4 New York, 100033608 United States of America
Aruna Rajendra Bhinge	Non-Executive, Independent Director	07474950	3501, Tower 2 Planet Godrej Keshav Khadye Road Mumbai 400 011 Maharashtra, India
Dr. Rajesh Koshy Chandy	Non-Executive, Independent Director	07575240	5, Belgrave Mansions Belgrave Gardens London NW8 0RA United Kingdom
Ramesh Subrahmanian	Non-Executive, Independent Director	02933019	235 Arcadia Road A 06-07 Singapore, 289843

For further details of our Directors, see “Our Management” on page 196.

Company Secretary and Compliance Officer

G Venkateswar Reddy

2nd Floor, Serene Chambers
Road No.7, Banjara Hills
Hyderabad 500 034
Telangana, India
Tel: +91 40 3980 4333
Fax: +91 40 3980 4320
E-mail: secretarial@lauruslabs.com

Chief Financial Officer

Ravi Kumar V V
2nd Floor, Serene Chambers
Road No.7, Banjara Hills
Hyderabad 500 034
Telangana, India
Tel: +91 40 3980 4333
Fax: +91 40 3980 4320
E-mail: cfo@lauruslabs.com

Investor Grievances

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

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, 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 investor shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. 27
 “G” Block, Bandra Kurla Complex
 Bandra (East)
 Mumbai 400 051
 Maharashtra, India
 Tel: +91 22 4336 0000
 Fax: +91 22 6713 2447
 Email: lauruslabs.ipo@kotak.com
 Investor grievance e-mail: kmccredressal@kotak.com
 Website: www.investmentbank.kotak.com
 Contact Person: Ganesh Rane
 SEBI Registration No.: INM000008704

Citigroup Global Markets India Private Limited

1202, 12th Floor, First International Financial Center
 G-Block, Bandra Kurla Complex
 Bandra (East)
 Mumbai 400 051
 Maharashtra, India
 Tel: +91 22 6175 9999
 Fax: +91 22 6175 9961
 E-mail: lauruslabs.ipo@citi.com
 Investor grievance E-mail: investors.cgmib@citi.com
 Website:
<http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>
 Contact Person: Rahul Roy
 SEBI Registration No.: INM000010718

Jefferies India Private Limited

42/43, 2 North Avenue
 Maker Maxity, Bandra Kurla Complex
 Bandra (East)
 Mumbai 400 051
 Maharashtra, India
 Tel: +91 22 4356 6000
 Fax: +91 22 6765 5595
 E-mail: Laurus.IPO@jefferies.com
 Investor Grievance email:
india.investor.grievance@jefferies.com
 Website: www.jefferies.com
 Contact Person: Ashish Parasrampur
 SEBI Registration No.: INM000011443

SBI Capital Markets Limited

202, Maker Tower “E”
 Cuffe Parade
 Mumbai 400 005
 Maharashtra, India
 Tel: +91 22 2217 8300
 Fax: +91 22 2218 8332
 E-mail: laurus.ipo@sbicaps.com
 Investor grievance E-mail:
Investor.relations@sbicaps.com
 Website: laurus.ipo@sbicaps.com
 Contact Person: Kavita Tanwani/ Sambit Rath
 SEBI Registration No.: INM000003531

Syndicate Members

[●]

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas

201, Midford House, Midford Garden
 Off MG Road
 Bengaluru 560 001
 Karnataka, India
 Tel: +91 80 2558 4870
 Fax: +91 80 2558 4266

Indian Legal Counsel to the BRLMs

S&R Associates

64 Okhla Industrial Estate
 Phase III, New Delhi 110 020
 India
 Tel : +91 11 4069 8000
 Fax : +91 114069 8001

International Legal Counsel to the BRLMs

Sidley Austin LLP

Level 31
 Six Battery Road
 Singapore 049909
 Tel: +65 6230 3900
 Fax: +65 6230 3939

Indian Legal Counsel to Bluewater, FIL Capital Management and FIP

AZB & Partners

AZB House
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6689 6880
Fax: +91 22 6689 6888

Indian Legal Counsel to Aptuit**Cyril Amarchand Mangaldas**

Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg,
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455
Fax: +91 22 2496 3666

Auditors to our Company**S. R. Batliboi & Associates LLP**

Chartered Accountants
Oval Office, 18, Hitech City
Madhapur
Hyderabad 500 081
Telangana, India
Email: SRBA@in.ey.com
Tel: +91 40 6736 2000
Fax no: +91 40 6736 2200
Firm Registration No.: 101049W/E300004
Peer Review No.: 008320

Registrar to the Offer**Karvy Computershare Private Limited**

Selenium Tower B
Plot No. 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor grievance email: lauruslabs.ipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: M Muralikrishna
SEBI Registration No.: INR000000221

Bankers to the Offer/ Escrow Collection Banks

[●]

Refund Bank

[●]

Bankers to our Company**Axis Bank Limited**

Corporate Banking Branch
No. 6-3-879/B, 1st Floor
G Pulla Reddy Building
Begumpet Road, Somajiguda
Hyderabad 500 016
Tel: +91 40 2325 5336
Fax: +91 40 2325 5301
Email: sreenivasulu.kadapalli@axisbank.com
Website: www.axisbank.com
Contact Person: Sreenivasulu Kadapalli

Bank of Bahrain & Kuwait B.S.C

6-3-550, L B Bhawan
Tel: +91 40 2339 8220
Fax: +91 40 2339 8218
Email: jagadish.rajana@bbkindia.com
Website: www.bbkindia.com
Contact Person: Jagadish Rajana

Citibank NA

1st Floor, Queen's Plaza
Sardar Patel Road
Hyderabad
Tel: +91 40 4000 5813
Fax: +91 40 2790 7520
Email: raghu.chejarla@citi.com
Website: www.citibank.co.in
Contact Person: Raghu Chejarla

HDFC Bank Limited

1-10-60/3, 4th Floor
Suryodaya, Begumpet
Hyderabad 500 016
Tel: +91 40 3047 2563
Fax: +91 40 3047 2565
Email: Rathnamala.ledalla@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: L V Rathna Mala

ICICI Bank Limited

ICICI Bank Towers
Plot No. 12, Financial District, Gachibowli
Hyderabad 500 032
Tel: +91 40 4108 2024 / +91 40 4108 2222
Fax: Not Available
Email: Deepti.sh@icicibank.com/
astha.moturi@icicibank.com
Website: www.icicibank.com
Contact Person: Deepti Sharma / Astha Moturi

RBL Bank Limited

D. No. 6-3-865, Ground Floor
My Home Jupally, Green Lands
Hyderabad
Tel: +91 40 4080 5500
Fax: Not Available
Email: Praveen.mahendraker@rblbank.com
Website: www.rblbank.com
Contact Person: Praveen Mahendraker

State Bank of India

241/A, 2nd Floor, Rajala Centre
Road No. 36, Jubilee Hills
Hyderabad 500 033
Tel: +91 40 2314 7505
Fax: +91 40 2314 7502
Email: sbi.01921@sbi.co.in
Website: www.sbi.co.in
Contact Person: A.H.V.N. Raja Sekhar

Designated Intermediaries**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and

Export-Import Bank of India

6-3-639/640, Golden Edifice Building
Khairatabad Circle
Hyderabad 500 004
Tel: +91 40 2330 7816
Fax: +91 40 2331 7843
Email: eximhro@eximbankindia.in
Website: www.eximbankindia.in
Contact Person: B. Ramesh Babu

The Hong Kong and Shanghai Banking Corporation, India

6-3-1107 & 1108, Raj Bhavan Road
Somaji Guda
Hyderabad 500 082
Tel: +91 40 6616 2236
Fax: +91 40 6677 0361
Email: info@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Sudheer Ghantasala

Punjab National Bank

4-1-427, Bank Street, Abids
Hyderabad
Tel: +91 40 2474 4534
Fax: +91 40 2406 5688
Email: bo0207@pnb.co.in
Website: www.pnbindia.in
Contact Person: Maksood Ali

State Bank of Hyderabad

Industrial Finance Branch
TOPAZ Building, Amrutha Hills
Punjagutta, Hyderabad 500 082
Tel: +91 40 2340 2183 / 2340 2297
Fax: +91 40 2340 3162
Email: ifb-hyd@sbhyd.co.in
Website: www.sbhyd.co.in
Contact Person: Subhromoy Mukherjee

http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, M/s S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 16, 2016 and the statement of tax benefits dated August 16, 2016, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Monitoring Agency

In terms of Regulation 16 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹5,000 million.

Appraising Entity

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

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No	Activities	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.	Kotak, Citi, Jefferies, SBICAP	Kotak
2.	Due diligence of our Company’s operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and filing of the same with the RoC	Kotak, Citi, Jefferies, SBICAP	Kotak
3.	Drafting and approval of all statutory advertisements	Kotak, Citi, Jefferies, SBICAP	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochures, banners, etc.	Kotak, Citi, Jefferies, SBICAP	Citi
5.	Appointment of Banker(s) to the Offer, Registrar, Advertising Agency, Printers and other intermediaries, including co-ordination of all agreements to be entered into with such intermediaries	Kotak, Citi, Jefferies, SBICAP	Citi

6.	International institutional marketing including: • Institutional marketing strategy; • Finalising the list and distribution of international institutional investors for one-on-one meetings; and • Finalising the roadshow and investor meeting schedules	Kotak, Citi, Jefferies, SBICAP	Citi
7.	Domestic institutional marketing including: • Institutional marketing strategy; • Finalising the list and distribution of domestic institutional investors for one-on-one meetings; and • Finalising the roadshow and investor meeting schedules	Kotak, Citi, Jefferies, SBICAP	Jefferies
8.	Retail Marketing of the Offer, which will cover, inter alia: • Formulating strategies for marketing to Retail Investors; • Finalising centres for holding conferences for brokers; • Finalising collection centres; and • Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	Kotak, Citi, Jefferies, SBICAP	Kotak
9.	Non-Institutional Marketing of the Offer, which will cover, inter alia: • Formulating strategies for marketing to Non Institutional Investors • Preparation of publicity budget, finalising Media and PR strategy	Kotak, Citi, Jefferies, SBICAP	SBICAP
10.	Preparation and finalisation of the road-show presentation, road show script and FAQs	Kotak, Citi, Jefferies, SBICAP	Jefferies
11.	Coordination with Stock Exchanges for book building software, bidding terminals, anchor investor portion, mock trading, payment of 1% security deposit, etc.	Kotak, Citi, Jefferies, SBICAP	Citi
12.	Managing the book and finalization of pricing, in consultation with the Company	Kotak, Citi, Jefferies, SBICAP	Jefferies
13.	Post-Offer activities, which shall involve essential follow-up steps including anchor coordination, follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment based on technical rejections, listing of instruments, demat credit and refunds/ unblocking of funds and coordination with various agencies connected with the post-Offer activity such as registrars to the Offer, bankers to the Offer, SCSBs, including responsibility for execution of underwriting arrangements, as applicable.	Kotak, Citi, Jefferies, SBICAP	SBICAP
14.	Coordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the Offer.	Kotak, Citi, Jefferies, SBICAP	SBICAP
15.	Payment of applicable Securities Transaction Tax (STT) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of the Finance (no. 2) Act, 2004.	Kotak, Citi, Jefferies, SBICAP	Jefferies

Credit Rating

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

Trustees

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper, [●] and the [●] edition of the Telugu newspaper [●] (Telugu being the regional language of Andhra Pradesh where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding, see “Offer Procedure” on page 397.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process” on page 429.

Underwriting Agreement

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

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

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹in millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations provided by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

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

The underwriting arrangement mentioned above shall not apply to subscription by the Bidders in the Offer, except for Bids procured by the Syndicate.

CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	AUTHORIZED SHARE CAPITAL⁽¹⁾		
	111,000,000 Equity Shares of face value of ₹10 each	1,110,000,000	
	Total	1,110,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	98,628,404 Equity Shares of face value of ₹10 each	986,284,040	
	Total	986,284,040	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each ⁽²⁾	[●]	[●]
	Offer for Sale of 24,844,240 Equity Shares of face value of ₹10 each ⁽³⁾	248,442,400	[●]
	Which includes:		
	EMPLOYEE RESERVATION PORTION		
	Of [●] Equity Shares [#]	[●]	[●]
D	SECURITIES PREMIUM ACCOUNT		
	Before the Offer	3,908,444,249	
	After the Offer	[●]	
E	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value ₹10 each (assuming full subscription in the Offer)	[●]	

(1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters" on page 186

(2) The Fresh Issue has been authorized by a resolution of our Board of Directors dated August 9, 2016 and a special resolution of our Shareholders in their Extraordinary General Meeting dated August 11, 2016

(3) For details of authorisations received for the Offer for Sale, see "The Offer" on page 57. The Equity Shares being offered by each Selling Shareholder have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations and are eligible for being offered for sale in the Offer.

Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Bidders bidding in the Retail Portion must ensure that the Bid Amount does not exceed ₹200,000

Notes to the Capital Structure

1. Equity Share Capital History of our Company

(a) The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment/ Buy Back	No. of Equity Shares Allotted/ Bought Back	Face Value (₹)	Issue price/ Buy Back price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
September	15,000	10	10	Cash	Initial subscription	15,000	150,000

Date of Allotment/ Buy Back	No. of Equity Shares Allotted/ Bought Back	Face Value (₹)	Issue price/ Buy Back price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
19, 2005					to the Memorandum of Association ⁽¹⁾		
August 26, 2006	1,785,000	10	10	Cash	Allotment of Equity Shares ⁽²⁾	1,800,000	18,000,000
March 5, 2007	5,00,000	10	10	Cash	Allotment of Equity Shares ⁽³⁾	2,300,000	23,000,000
March 8, 2007	4,750,000	10	25	Cash	Allotment of Equity Shares ⁽⁴⁾	7,050,000	70,500,000
March 10, 2007	1,000,000	10	75	Cash	Allotment of Equity Shares ⁽⁵⁾	8,050,000	80,500,000
March 12, 2007	2,390,000	10	100	Cash	Allotment of Equity Shares ⁽⁶⁾	10,440,000	104,400,000
May 10, 2007	800,000	10	10	Cash	Allotment of Equity Shares ⁽⁷⁾	11,240,000	112,400,000
May 19, 2007	20,000	10	25	Cash	Allotment of Equity Shares ⁽⁸⁾	11,260,000	112,600,000
May 25, 2007	250,000	10	100	Cash	Allotment of Equity Shares ⁽⁹⁾	11,510,000	115,100,000
June 29, 2007	1,000	10	150	Cash	Allotment of Equity Shares ⁽¹⁰⁾	11,511,000	115,110,000
August 2007*	(1,100,000)	10	(200)	Cash	Buy Back by our Company from equity shareholders of our Company on a proportionate basis through private offers ⁽¹¹⁾	10,411,000	104,110,000
October 27, 2011	200,000	10	10	Cash	Allotment of Equity Shares ⁽¹²⁾	10,611,000	106,110,000
February 14, 2012	4,629,630	10	N/A	Cash**	Conversion of preference shares ⁽¹³⁾	15,240,630	152,406,300
October 29, 2013	122,875	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011 ⁽¹⁴⁾	15,363,505	153,635,050
March 26, 2014	16,250	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011 ⁽¹⁵⁾	15,379,755	153,797,550
September 25, 2014	123,375	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011 ⁽¹⁶⁾	15,503,130	155,031,300
February 10, 2015	8,750	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011 ⁽¹⁷⁾	15,511,880	155,118,800
April 30, 2015	10,000	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011 ⁽¹⁸⁾	15,521,880	155,218,800
September 28, 2015	234,375	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011 ⁽¹⁹⁾	15,756,255	157,562,550
November 10, 2015	11,000	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011 ⁽²⁰⁾	15,767,255	157,672,550
July 15, 2016	6,412,459	10	N/A	Cash**	Conversion of preference shares ⁽²¹⁾	22,179,714	221,797,140
July 15, 2016	2,477,387	10	N/A	Cash**	Conversion of preference shares ⁽²²⁾	24,657,101	246,571,010
July 27,	73,971,303	10	N/A	N/A	Allotment of bonus	98,628,404	986,284,040

Date of Allotment/ Buy Back	No. of Equity Shares Allotted/ Bought Back	Face Value (₹)	Issue price/ Buy Back price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
2016					Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held ⁽²³⁾		
Total	98,628,404						

*Our Company bought back the Equity Shares and paid the amounts due to the participating shareholders for the buy back on August 4, 2007.

** Cash was paid at the time of allotment of Series A Preference Shares, Series B Preference Shares and Series C Preference Shares

- (1) 9,500 Equity Shares were allotted to Dr. Satyanarayana Chava and 5,500 Equity Shares were allotted to Chunduri Ramakrishna
- (2) 5,000 Equity Shares were allotted to Sasikala CV, 5,000 Equity Shares were allotted to Shilloi Sawang, 5,000 Equity Shares were allotted to Amita Thakur, 5,000 Equity Shares were allotted to Ranjana Siva Sankar, 5,000 Equity Shares were allotted to Bhuvanewari N, 5,000 Equity Shares were allotted to Jyotishmathi D, 5,000 Equity Shares were allotted to Pallavi G, 5,000 Equity Shares were allotted to Amarasree K, 5,000 Equity Shares were allotted to Kasthuba I, 10,000 Equity Shares were allotted to Sanjana Reddy D, 5,000 Equity Shares were allotted to Ramalakshmi P, 5,000 Equity Shares were allotted to Lakshmi Nalini J, 5,000 Equity Shares were allotted to Sivamala N, 10,000 Equity Shares were allotted to Uma Purnima K, 5,000 Equity Shares were allotted to Kamala R, 5,000 Equity Shares were allotted to Ranjana Sharma, 5,000 Equity Shares were allotted to Gulzar Govewala, 5,000 Equity Shares were allotted to Satya Bharathi T, 5,000 Equity Shares were allotted to Janardhana Rao N, 350,000 Equity Shares were allotted to Subba Raju G V, 1,300,000 Equity Shares were allotted to Dr. Raju Srihari Kalidindi, 5,000 Equity Shares were allotted to Koteswar Rao C V, 5,000 Equity Shares were allotted to Pushpa Latha V, 5,000 Equity Shares were allotted to Rajeshwari K, 5,000 Equity Shares were allotted to Lakshmi Prasuna I, 5,000 Equity Shares were allotted to Lakshmi K and 5,000 Equity Shares were allotted to Saroja A V
- (3) 400,000 Equity Shares were allotted to Ravi Kumar V V, 50,000 G V Subba Raju and 50,000 Equity Shares were allotted to Goruntala Seeta Ramanjaneyulu
- (4) 600,000 Equity Shares were allotted to P Rajya Lakshmi, 25,000 Equity Shares were allotted to Yalavarthi Vijayalakshmi, 25,000 Equity Shares were allotted to Sowjanya B Kalidindi, 75,000 Equity Shares were allotted to Chalapathi Raju RGS Kalidindi, 100,000 Equity Shares were allotted to Gorantla Venkateshwara Rao, 10,000 Equity Shares were allotted to Kommana Kamala, 10,000 Equity Shares were allotted to Chava Pratima, 10,000 Equity Shares were allotted to Suryadevara Suneetha, 10,000 Equity Shares were allotted to Suryadevara Vijaya Kumari, 10,000 Equity Shares were allotted to Vasireddy Krishnaveni, 10,000 Equity Shares were allotted to Suryadevara Rama, 25,000 Equity Shares were allotted to Vinor Nair, 10,000 Equity Shares were allotted to Chintalapati Jayapadma, 10,000 Equity Shares were allotted to Chintalapati Vijaya Durga, 460,000 Equity Shares were allotted to Mula Ravinder, 2,040,000 Equity Shares were allotted to Dr. Satyanarayana Chava, 960,000 Equity Shares were allotted to Naga Rani Chava, 350,000 Equity Shares were allotted to Veljko Zorzut and 10,000 Equity Shares were allotted to V Hymavathi
- (5) 1,000,000 Equity Shares were allotted to Dr. Satyanarayana Chava
- (6) 300,000 Equity Shares were allotted to Raju PVS, 75,000 Equity Shares were allotted to Bharat K R, 75,000 Equity Shares were allotted to Nilu Poddar, 35,000 Equity Shares were allotted to Vijay Kumar Raju A, 15,000 Equity Shares were allotted to Nageshwar Reddy D, 15,000 Equity Shares were allotted to Sitarama Raju A, 5,000 Equity Shares were allotted to Hari Kiran C, 5,000 Equity Shares were allotted to Chandrakant C, 100,000 Equity Shares were allotted to Vijaya Kumar D, 250,000 Equity Shares were allotted to Vivek Mundra, 100,000 Equity Shares were allotted to Anirudh Mundra, 150,000 Equity Shares were allotted to Krishnam Raju A V, 25,000 Equity Shares were allotted to Padmaja J A S, 5,000 Equity Shares were allotted to Ravi Chander D, 50,000 Equity Shares were allotted to Adit G Mehta, 50,000 Equity Shares were allotted to Beaver Engineering Limited, 20,000 Equity Shares were allotted to Swati Sanghi, 25,000 Equity Shares were allotted to Prasad Verma, 50,000 Equity Shares were allotted to Rajendra Kumar Mishra, 580,000 Equity Shares were allotted to All Time Project Limited and 460,000 Equity Shares were allotted to Ravinder M
- (7) 200,000 Equity Shares were allotted to Dr. Lata Swarna Kalidindi and 600,000 Equity Shares were allotted to Dr. Lakshmana Rao C V
- (8) 10,000 Equity Shares were allotted to G Yamuna Subba Raju, 5,000 Equity Shares were allotted to C Sekhar Babu and 5,000 Equity Shares were allotted to T Naga Mani
- (9) 250,000 Equity Shares were allotted to Dr. Satyanarayana Chava
- (10) 1,000 Equity Shares were allotted to Aptuit Singapore
- (11) 175,000 Equity Shares were bought back from P Rajya Lakshmi, 300,000 Equity Shares were bought back from Raju PVS, 35,000 Equity Shares were bought back from A Vijay Kumar Raju, 15,000 Equity Shares were bought back from D Nageshwar Reddy, 15,000 Equity Shares were bought back from A Sitaram Raju, 5,000 Equity Shares were bought back from C Hari Kiran, 5,000 Equity Shares were bought back from C Chandrakanth, 50,000 Equity Shares were bought back from D Vijay Kumar, 200,000 Equity Shares were bought back from Vivek Mundra, 25,000 Equity Shares were bought back from J A S Padmaja, 5,000 Equity Shares were bought back from D Ravi Chander, 50,000 Equity Shares were bought back from Adit G Mehta, 20,000 Equity Shares were bought back from Swati Sanghi and 200,000 Equity Shares were bought back from C Suneetha
- (12) 200,000 Equity Shares were allotted to Laurus Foundation (formerly known as Laurus Employees Trust)
- (13) 4,629,630 Equity Shares were issued to Aptuit on conversion of Series A Preference Shares
- (14) 122,875 Equity Shares were allotted to 90 employees of our Company, pursuant to ESOP 2011

- (15) 16,250 Equity Shares were allotted to four employees of our Company, pursuant to ESOP 2011
- (16) 123,375 Equity Shares were allotted to 88 employees of our Company, pursuant to ESOP 2011
- (17) 8,750 Equity Shares were allotted to 19 employees of our Company, pursuant to ESOP 2011
- (18) 10,000 Equity Shares were allotted to one employee of our Company, pursuant to ESOP 2011
- (19) 234,375 Equity Shares were allotted to 113 employees of our Company, pursuant to ESOP 2011
- (20) 11,000 Equity Shares were allotted to two employees of our Company, pursuant to ESOP 2011
- (21) 2,259,060 Equity Shares were allotted to Aptuit and 4,153,399 Equity Shares were allotted to Bluewater on conversion of Series A Preference Shares and Series C Preference Shares respectively
- (22) 1,973,531 Equity Shares were allotted to FIL Capital Management, 29,688 Equity Shares were allotted to FIP, which were held by FIL Capital Advisors (in its capacity as trustee of FIP), 460,926 Equity Shares were allotted to Dr. Satyanarayana Chava and 13,242 Equity Shares were allotted to Bluewater on conversion of Series B Preference Shares (at a premium of ₹233 per Equity Share)
- (23) 73,971,303 Equity Shares were allotted to the existing Shareholders of our Company as on the record date, being July 20, 2016, pursuant to bonus issue by way of capitalisation of amounts standing to the credit of the securities premium account/ free reserves of the Company as of the Financial Year 2016

(b) The history of preference share capital of our Company is provided in the following table:

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue price per Preference Share (₹)	Consideration	Reason for allotment	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
June 29, 2007	6,800,000	10	150	Cash	Allotment of preference shares ⁽¹⁾	6,800,000	68,000,000
February 10, 2009	88,690	10	N/A	Other than cash	Allotment of Preference Shares as consideration for the amalgamation of Aptuit Informatics with our Company ⁽²⁾	6,888,690	68,886,900
February 14, 2012	(4,629,630)	10	N/A	Cash*	Conversion into Equity Shares ⁽³⁾	2,259,060	22,590,600
February 14, 2012	2,477,387	243	243	Cash	Preferential Allotment of preference shares ⁽⁴⁾	4,736,447	624,595,641
October 29, 2014	4,153,399	10	722.30	Cash	Preferential Allotment of preference shares ⁽⁵⁾	8,889,846	666,129,631
July 15, 2016	(8,889,846)	Face value of the relevant CCPS	N/A	Cash*	Conversion into Equity Shares ⁽⁶⁾	-	-

* Cash was paid at the time of allotment of Series A Preference Shares, Series B Preference Shares and Series C Preference Shares

- (1) 6,800,000 Series A Preference Shares were allotted to Aptuit Singapore
- (2) 88,690 Series A Preference Shares were allotted to Aptuit Singapore as consideration for the amalgamation of Aptuit Informatics with our Company. Preference shares of ₹10 each were renamed as Series A Preference Shares pursuant to letter dated October 26, 2011 issued by Aptuit Singapore consenting to the renaming of the preference shares
- (3) 4,629,630 Series A Preference Shares held by Aptuit were converted into 4,629,630 Equity Shares of our Company.
- (4) 1,973,531 Series B Preference Shares were allotted to FIL Capital Management, 42,930 Series B Preference Shares were allotted to FIP, which were held by FIL Capital Advisors (in its capacity as trustee of FIP) and 460,926 Series B Preference Shares were allotted to Dr. Satyanarayana Chava
- (5) 4,153,399 Series C Preference Shares were allotted to Bluewater
- (6) 2,259,060 Series A Preference Shares, 2,477,387 Series B Preference Shares and 4,153,399 Series C Preference Shares were converted to Equity Shares vide board resolution dated July 15, 2016 in the ratio of 1:1

(c) The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
1.	September 28, 2015	234,375	10	10	Cash	Allotment of Equity Shares pursuant to ESOP 2011	Equity Shares allotted to 113 employees of our Company ⁽¹⁾
2.	November 10, 2015	11,000	10	10	Cash	Allotment of Equity Shares	Equity Shares allotted to two

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
						pursuant to ESOP 2011	employees of our Company
3.	July 15, 2016	6,412,459	10	N/A	N/A	Conversion of Series A Preference Shares and Series C Preference Shares	2,259,060 Equity Shares were allotted to Aptuit and 4,153,399 Equity Shares were allotted to Bluewater
4.	July 15, 2016	2,477,387	10	N/A	N/A	Conversion of Series B Preference Shares	1,973,531 Equity Shares were allotted to FIL Capital Management, 29,688 Equity Shares were allotted to FIP, which were held by FIL Capital Advisors (in its capacity as trustee of FIP), 460,926 Equity Shares were allotted to Dr. Satyanarayana Chava and 13,242 Equity Shares were allotted to Bluewater
5.	July 27, 2016	73,971,303	10	N/A	N/A	Allotment of bonus Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held	All existing Equity shareholders of the Company, holding Equity Shares as on the record date, being July 20, 2016 ⁽²⁾

(1) Includes S Narasimha Rao, a member of our Promoter Group, who was allotted 3,250 Equity Shares.

(2) Includes allotment to members of our Promoter Group who were Shareholders as on the record date being July 20, 2016

2. Issue of shares for consideration other than cash

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

Except as set out below, we have not issued shares for consideration other than cash and no benefits have accrued to our Company on account of allotment of shares for consideration other than cash:

Date of Allotment	Number of Shares Allotted	Face Value (₹)	Allottees and reason for allotment
February 10, 2009	88,690 Series A Preference Shares	10	Issued to Aptuit Singapore as consideration for the amalgamation of Aptuit Informatics with our Company*
July 27, 2016	73,971,303 Equity Shares	10	Allotment of bonus Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held as on the record date, being July 20, 2016. The bonus Equity Shares have been issued from the securities premium account and free reserves of our Company

*See "History and Certain Corporate Matters" on page 186

3. History of the Equity Share Capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 32,121,704 Equity Shares, constituting 32.57% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

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

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
Dr. Satyanarayana Chava	September 19, 2005	Initial subscription to the Memorandum of Association	9,500	Cash	10	10	0.01	[●]
	March 8, 2007	Allotment of Equity Shares	2,040,000	Cash	10	25	2.07	[●]
	March 10, 2007	Allotment of Equity Shares	1,000,000	Cash	10	75	1.01	[●]
	May 19, 2007	Transfer of Equity Shares ⁽¹⁾	135,000	Cash	10	100	0.14	[●]
	May 25, 2007	Allotment of Equity Shares	250,000	Cash	10	100	0.25	[●]
	May 25, 2011	Transfer of Equity Shares by M Ravinder	385,000	Cash	10	125	0.39	[●]
	February 14, 2012	Transfer of Equity Shares by M Ravinder	465,000	Cash	10	243	0.47	[●]
	February 14, 2013	Transfer of Equity Shares ⁽²⁾	(400,000)	Cash	10	243	(0.41)	[●]
	January 22, 2014	Transfer of Equity Shares by Veljko Zorzut	350,000	Cash	10	400	0.35	[●]
	January 22, 2014	Transfer of Equity Shares by Sowjanya B Kalidindi	25,000	Cash	10	500	0.03	[●]
	January 22, 2014	Transfer of Equity Shares by Chalapathi Raju RGS Kalidindi	75,000	Cash	10	500	0.08	[●]
	January 22, 2014	Transfer of Equity Shares by G Venkateshwar Rao	100,000	Cash	10	500	0.10	[●]
	October 29, 2014	Transfer of Equity Shares to Bluewater	(700,000)	Cash	10	746.37	(0.71)	[●]
	July 15, 2016	Conversion of Series B Preference Shares	460,926	Cash*	10	10	0.47	[●]
	July 27, 2016	Allotment of bonus Equity Shares in the ratio of three	12,586,278	N/A	10	N/A	12.76	[●]

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
		bonus Equity Shares for every one Equity Share held						
Sub Total (A)			16,781,704				17.02	[●]
Naga Rani Chava	March 8, 2007	Allotment of Equity Shares	960,000	Cash	10	25	0.97	[●]
	December 11, 2009	Transfer of Equity Shares by C Soneetha	200,000	Cash	10	100	0.20	[●]
	June 22, 2010	Transfer of Equity Shares by GV Subba Raju	400,000	Cash	10	100	0.41	[●]
	July 27, 2016	Allotment of bonus Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held	4,680,000	N/A	10	N/A	4.75	[●]
Sub Total (B)			6,240,000				6.33	[●]
Dr. Raju Srihari Kalidindi	August 26, 2006	Allotment of Equity Shares	1,300,000	Cash	10	10	1.32	[●]
	July 27, 2016	Allotment of bonus Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held	3,900,000	N/A	10	N/A	3.95	[●]
Sub Total (C)			5,200,000				5.27	[●]
Ravi Kumar V V	March 5, 2007	Allotment of Equity Shares	400,000	Cash	10	10	0.41	[●]
	February 14, 2013	Transfer of Equity Shares from Dr. Satyanarayana Chava	100,000	Cash	10	243	0.10	[●]
	October 29, 2014	Transfer of Equity Shares to Bluewater	(100,000)	Cash	10	746.37	(0.10)	[●]
	July 27, 2016	Allotment of bonus Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held	1,200,000	N/A	10	N/A	1.22	[●]
Sub Total (D)			1,600,000				1.62	[●]
Dr. Lakshmana Rao C V	May 10, 2007	Allotment of Equity Shares	600,000	Cash	10	10	0.61	[●]
	October 29, 2014	Transfer of Equity Shares to Bluewater	(25,000)	Cash	10	746.37	(0.03)	[●]

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
	July 27, 2016	Allotment of bonus Equity Shares in the ratio of three bonus Equity Shares for every one Equity Share held	1,725,000	N/A	10	N/A	1.75	[●]
Sub Total (E)			2,300,000				2.33	[●]
Total (A)+(B)+(C)+(D)+(E)			32,121,704				32.57	[●]

* Cash was paid at the time of allotment of Series B Preference Shares. The Series B Preference Shares were converted at a premium of ₹233 per Equity Share

1. Equity Shares were transferred by 25 shareholders of our Company
2. 25,000 Equity Shares were transferred to Dr. CR Naidu, 50,000 Equity Shares were transferred to Vivek Mundra, 75,000 Equity Shares were transferred to Hari Kiran C, 100,000 Equity Shares were transferred to Ravi Kumar V V and 150,000 Equity Shares were transferred to Y Vijaya Lakshmi

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters which shall be locked-in for three years as Promoters' contribution have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. In relation to certain Equity Shares allotted to or acquired by Dr. Satyanarayana Chava, part of the funds were paid by Satyanarayana Chava (HUF). We are in receipt of various no objection letters from Satyanarayana Chava (HUF), wherein the karta of Satyanarayana Chava (HUF) (alongwith all the coparceners) have provided a no objection to the Equity Shares being allotted or transferred to Satyanarayana Chava (in his individual capacity). In relation to certain Equity Shares acquired by Naga Rani Chava, part of the funds were paid by Dr. Satyanarayana Chava. We are in receipt of various no objection letters from Dr. Satyanarayana Chava, wherein Dr. Satyanarayana Chava has provided a no objection to the Equity Shares being transferred to Naga Rani Chava. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company, as on the date of this Draft Red Herring Prospectus.

- (b) *The details of the shareholding of our Promoter and the members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus:*

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital
Promoters		
Dr. Satyanarayana Chava	16,781,704	17.02
Naga Rani Chava	6,240,000	6.33
Dr. Raju Srihari Kalidindi	5,200,000	5.27
Ravi Kumar V V	1,600,000	1.62
Dr. Lakshmana Rao C V	2,300,000	2.33
Total Holding of the Promoters (A)	32,121,704	32.57
Promoter Group		
Kommana Kamala	20,000	0.02
Vasireddy Krishnaveni	40,000	0.04
Suryadevara Rama	40,000	0.04
Ch Jaya Padma	40,000	0.04
Ch Vijaya Durga	40,000	0.04
S Narasimha Rao	26,000	0.03

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital
V Hymavathi	40,000	0.04
Sekhar Babu CH	20,000	0.02
Naga Mani T	20,000	0.02
Total holding of the Promoter Group (other than Promoter) (B)	286,000	0.29
Total Holding of Promoter and Promoter Group (A+B)	32,407,704	32.86

(c) *Details of Promoters' contribution and lock-in:*

- (i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as the minimum promoter's contribution and locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.
- (ii) As on the date of this Draft Red Herring Prospectus, our Promoters hold 32,121,704 Equity Shares out of which no Equity Shares are being offered in the Offer for Sale and accordingly upto 32,121,704 Equity Shares are eligible for promoters' contribution.
- (iii) Details of the Equity Shares to be locked-in for three years are as follows:

Name	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post- Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
Dr. Satyanarayana Chava	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Naga Rani Chava	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Dr. Raju Srihari Kalidindi	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Ravi Kumar V	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Dr. Lakshmana Rao C V	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total						[•]	[•]	[•]

- (iv) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.
- (v) In this connection, we confirm the following:
 - The Equity Shares offered for Promoters' contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) does not comprise bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

- The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- All the Equity Shares held by our Promoters are in dematerialised form; and
- The Equity Shares forming part of the Promoters' contribution are not subject to any pledge.

(d) *Other lock-in requirements:*

- (i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, shall be locked-in for a period of one year from the date of Allotment.
- (ii) The Equity Shares allotted to eligible employees (who will continue to be employees of the Company as on the date of Allotment) under the ESOP 2011 and the ESOP 2016 shall not be subject to lock in (except any Equity Shares that may be allotted to Promoter Group).
- (iii) The Equity Shares which will be transferred by the Selling Shareholders in the Offer for Sale shall not be subject to lock-in.
- (iv) Pursuant to Regulation 39 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.
- (vi) The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.
- (vii) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.
- (viii) Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. **Selling Shareholders' Shareholding in our Company**

The total number of Equity Shares held by the Selling Shareholders in our Company as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Selling Shareholder	No. of Equity Shares	Percentage of the pre- Offer capital (%)
Bluewater	29,989,596	30.41
FIL Capital Management	18,265,612	18.52
Aptuit	9,040,240	9.17
FIP (acting through its trustee FIL Capital Advisors)	118,752	0.12
Total	57,414,200	58.21

5. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category y (I)	Category of shareholde r (II)	Nos. of sharehol ders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equit y Share s held (V)	No. of shares underly ing Deposit ory Receipt s (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Sharehold ing 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 Outstand ing convertible securities (including Warrants) (X)	Shareholdin g , 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 encumbere d (XIII)		Number of Equity Shares held in dematerialize d form (XIV)
								No of Voting Rights						No . (a)	As % of total Share s held (b)	No . (a)	As % of total Share s held (b)	
								Class: Equity	Cl ass : N/ A	Total	Total as a % of (A+B+ C)							
(A)	Promoter & Promoter Group	14	32,407,704	0	0	32,407,704	32.86	32,407,704	0	32,407,704	32.86	0	0	0	0	0	0	32,407,704
(B)	Public	159	66,220,700	0	0	66,220,700	67.14	66,220,700	0	66,220,700	67.14	0	0	0	0	0	0	52,845,710
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	173	98,628,404	0	0	98,628,404	100.00	98,628,404	0	98,628,404	100.00	0	0	0	0	0	0	85,253,414

6. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them**

- (a) The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus and 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares*	Percentage (%)
1.	Bluewater	29,989,596	30.41
2.	FIL Capital Management	18,265,612	18.52
3.	Dr. Satyanarayana Chava	16,781,704	17.02
4.	Aptuit	9,040,240	9.17
5.	Naga Rani Chava	6,240,000	6.33
6.	Dr. Raju Srihari Kalidindi	5,200,000	5.27
7.	Yalavarthi Vijayalakshmi	2,400,000	2.43
8.	Dr. Lakshmana Rao C V	2,300,000	2.33
9.	Ravi Kumar V V	1,600,000	1.62
10.	Laurus Foundation (formerly known as Laurus Employees Trust)**	827,000	0.84
	Total	92,644,152	93.93

*This does not include the Equity Shares that the shareholders will be entitled to upon exercise of options under ESOP 2011 and ESOP 2016

**For details in relation to Laurus Foundation, see Note 7, below

- (b) The top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares*	Percentage (%)
1.	FIL Capital Management	4,629,630	29.86
2.	Dr. Satyanarayana Chava	4,434,500	28.60
3.	Naga Rani Chava	1,560,000	10.06
4.	Dr. Raju S Kalidindi	1,300,000	8.39
5.	Yalavarthi Vijayalakshmi	825,000	5.32
6.	Dr. Lakshman C V	600,000	3.87
7.	Ravi Kumar V V	500,000	3.23
8.	Dr. Latha Swarna K	200,000	1.29
9.	Laurus Foundation (formerly known as the Laurus Employees Trust)**	200,000	1.29
10.	Krishnam Raju A V	150,000	0.97
	Total	14,399,130	92.88

*This does not include the Equity Shares that the shareholders will be entitled to upon exercise of options under ESOP 2011 and ESOP 2016

**For details in relation to Laurus Foundation, see Note 7, below

7. Laurus Foundation is an independent charitable trust originally established by our Promoters. It is engaged in, *inter alia*, activities such as promoting education including special education and employment to needy and deserving students, supporting infrastructure development in government schools and educational institutions, eradicating hunger and poverty.

8. **Details of Equity Shares held by our Directors and Key Management Personnel in our Company**

- (i) Set out below are details of the Equity Shares held by our Directors in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)*
1.	Dr. Satyanarayana Chava	16,781,704	17.02	[●]
2.	Dr. Raju Srihari Kalidindi	5,200,000	5.27	[●]
3.	Ravi Kumar V V	1,600,000	1.62	[●]

- (ii) In addition to the Equity Shares held by our Executive Directors, as stated above, set out below are details of the Equity Shares held by other Key Management Persons in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Dr. Lakshmana Rao C V	2,300,000	2.33	●
2.	Dr. GSR Anjaneyulu	260,000	0.26	●
3.	M Bhaskaraiah	120,000	0.12	●
4.	S Srinivasa Rao	120,000	0.12	●
5.	Martyn Oliver James Peck	80,000	0.08	●

9. The BRLMs and their respective associates (in accordance with the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
10. All Equity Shares were fully paid up as on the date of allotment.
11. Except as disclosed below, our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956. For further details see “History and Certain Corporate Matters” on page 186:

Date of Allotment	Number of Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for allotment
February 10, 2009	88,690 Series A Preference Shares	10	N/A	Other than cash	Issued to Aptuit Singapore as consideration for the amalgamation of Aptuit Informatics with our Company

12. Our Company has not made any public or rights issue of any kind or class of securities since its incorporation.
13. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters or the Selling Shareholders to the persons who receive Allotment.
14. Our Company, pursuant to resolutions passed by our Board and Shareholders dated August 14, 2008 and September 24, 2008, respectively had adopted the Aptuit Laurus Employee Stock Option Scheme 2008, which was renamed as ESOP 2011 by a resolution passed by our Board on October 6, 2011. Pursuant to ESOP 2011, options to acquire Equity Shares have been granted to eligible employees (as defined under ESOP 2011). The ESOP 2011 was brought in line with the SEBI ESOP Regulations pursuant to resolutions passed by our Board and Shareholders dated August 9, 2016 and August 11, 2016. The aggregate number of Equity Shares, which may be issued under ESOP 2011, shall not exceed 1,053,500 Equity Shares. The ESOP 2011 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013.

Particulars	Details
Options granted	The total number of options approved for Grant 790,000. The total number of options granted was 880,438 (including lapsed and reissued options). ESOP 2011 provides that the said options shall automatically get adjusted on account of corporate actions including issue of bonus shares, split or rights issue and options pending for grant were 812. On July 20, 2016, the shareholders approved bonus issue of three Equity Shares for every one Equity Share held, consequent to which options granted and in force gets adjusted, after considering the forfeiture and stock options exercised prior to bonus issue, which cumulates to 1,053,500 options. Further, to this extent, Shareholders have

Particulars	Details																
	specifically approved resolution in the EGM held on August 11, 2016. No adjustment is made in the exercise price as the exercise price is equal to face value of the share. The year wise details of options granted prior to adjustment for bonus issue is as under: <table> <tr> <th>Year/ Period</th><th>No. of Options granted (Pre-Bonus)</th></tr> <tr> <td>Financial Year 2012</td><td>553,000</td></tr> <tr> <td>Financial Year 2013</td><td>28,000</td></tr> <tr> <td>Financial Year 2014</td><td>38,500</td></tr> <tr> <td>Financial Year 2015</td><td>75,500</td></tr> <tr> <td>Financial Year 2016</td><td>177,188</td></tr> <tr> <td>Financial Year 2017</td><td>8,250</td></tr> <tr> <td>Total</td><td>880,438</td></tr> </table> 91,250 options were lapsed over these years and 90,438 options were reissued for the Financial Year 2015	Year/ Period	No. of Options granted (Pre-Bonus)	Financial Year 2012	553,000	Financial Year 2013	28,000	Financial Year 2014	38,500	Financial Year 2015	75,500	Financial Year 2016	177,188	Financial Year 2017	8,250	Total	880,438
Year/ Period	No. of Options granted (Pre-Bonus)																
Financial Year 2012	553,000																
Financial Year 2013	28,000																
Financial Year 2014	38,500																
Financial Year 2015	75,500																
Financial Year 2016	177,188																
Financial Year 2017	8,250																
Total	880,438																
Pricing formula	Each option entitles the holder to purchase one Equity Share at a price of ₹10.00 per Equity Share.																
Vesting period	<table> <tr> <th>Percentage of Options vested</th><th>Date of Vesting</th></tr> <tr> <td>25%</td><td>Two years from the date of Grant</td></tr> <tr> <td>25%</td><td>Three years from the date of Grant</td></tr> <tr> <td>50%</td><td>Four years from the date of Grant</td></tr> </table>	Percentage of Options vested	Date of Vesting	25%	Two years from the date of Grant	25%	Three years from the date of Grant	50%	Four years from the date of Grant								
Percentage of Options vested	Date of Vesting																
25%	Two years from the date of Grant																
25%	Three years from the date of Grant																
50%	Four years from the date of Grant																
Options vested and not exercised	<table> <tr> <th>As at the end of Year / Period</th><th>No. of Options vested and not exercised (Pre-Bonus)</th></tr> <tr> <td>Financial Year 2012</td><td>NIL</td></tr> <tr> <td>Financial Year 2013</td><td>NIL</td></tr> <tr> <td>Financial Year 2014</td><td>5000</td></tr> <tr> <td>Financial Year 2015</td><td>15,500</td></tr> <tr> <td>Financial Year 2016</td><td>NIL</td></tr> </table> Note: Out of total un exercised options mentioned above, 500 options were considered as forfeited shares and the balance 20,000 options have been exercised before end of the respective exercise periods.	As at the end of Year / Period	No. of Options vested and not exercised (Pre-Bonus)	Financial Year 2012	NIL	Financial Year 2013	NIL	Financial Year 2014	5000	Financial Year 2015	15,500	Financial Year 2016	NIL				
As at the end of Year / Period	No. of Options vested and not exercised (Pre-Bonus)																
Financial Year 2012	NIL																
Financial Year 2013	NIL																
Financial Year 2014	5000																
Financial Year 2015	15,500																
Financial Year 2016	NIL																
Options exercised	526,625 options have been exercised out of the ESOP 2011 Scheme so far. (The Equity Shares arising as a result of the options were exercised prior to bonus issue approved by the Shareholders on July 20, 2016 and August 11, 2016.)																
The total number of Equity Shares arising as a result of exercise of options	526,625 Equity shares of ₹10 each (prior to Bonus adjustments)																
Options forfeited / lapsed	91,250 options have lapsed due to employees leaving the Company. However, 90,438 options were reissued for the Financial Year 2016. (All options were forfeited / lapsed prior to the bonus issue approved by the Shareholders on July 20, 2016 and August 11, 2016.)																
Variation of terms of options	The Nomination and Remuneration Committee and the Board of Directors of Company introduced transitional provisions during the period from filing of DRHP and until listing of shares of the Company on Stock Exchanges modifying the exercise period to 5 days on August 9, 2016 in the case employees who are separating from the Company during the transitional period.																
Money realized by exercise of options	₹5,266,250																

Particulars	Details																																																																																																	
Total number of options in force	1,053,500 (including adjustment made for the bonus issue approved by the Shareholders on July 20, 2016 and August 11, 2016). Prior to such adjustment, the options in force were 262,563 and options pending for grant were 812																																																																																																	
	Year/period		No. of Options outstanding (prior to bonus adjustment) (Pre-Bonus)																																																																																															
	Financial Year 2012		Nil																																																																																															
	Financial Year 2013		10,000																																																																																															
	Financial Year 2014		19,125																																																																																															
	Financial Year 2015		54,000																																																																																															
	Financial Year 2016		177,188																																																																																															
	Financial Year 2017		8,250																																																																																															
Employee-wise detail of options granted to																																																																																																		
(i) Senior managerial personnel	<table><tr><th rowspan="2">Senior Managerial Personnel Name[§]</th><th colspan="3">No of Options granted (Pre-Bonus)</th><th rowspan="2">Cancelled</th></tr><tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr><tr><td>Dr. GSR Anjaneyulu</td><td>30,000</td><td>30,000</td><td>-</td><td></td></tr><tr><td>Bhaskaraiah M</td><td>32,500</td><td>30,000</td><td>2,500</td><td></td></tr><tr><td>Anil Kumar</td><td>10,000</td><td>5,000</td><td></td><td>5,000</td></tr><tr><td>S. Srinivasa Rao</td><td>35,000</td><td>30,000</td><td>5,000</td><td></td></tr><tr><td>Vasudevan B</td><td>15,000</td><td>15,000</td><td></td><td></td></tr><tr><td>Martyn Oliver James Peck</td><td>20,000</td><td>20,000</td><td></td><td></td></tr><tr><td>Dr. Sreenivasa Rao</td><td>12,000</td><td></td><td>12,000</td><td></td></tr><tr><td>Rashmi Ranjan Patra</td><td>10,000</td><td></td><td></td><td>10,000</td></tr><tr><td>S. Srinivasa Rao</td><td>2,500</td><td></td><td>2,500</td><td></td></tr><tr><td>Venkata Ramana Rao Ch</td><td>2,500</td><td></td><td>2,500</td><td></td></tr><tr><td>Sunil Kumar I V</td><td>5,000</td><td></td><td></td><td>5,000</td></tr><tr><td>Narasimha Rao DVL</td><td>5,000</td><td></td><td>5,000</td><td></td></tr><tr><td>B V N S Siva kumar</td><td>5,000</td><td></td><td>5,000</td><td></td></tr><tr><td>Srinivas Rao. BVRKS</td><td>3,750</td><td></td><td>3,750</td><td></td></tr><tr><td>Sandeep Kachhwaha</td><td>1,250</td><td></td><td>1,250</td><td></td></tr><tr><td>Dr. Uma Maheshwara Rao V</td><td>5,000</td><td></td><td>5,000</td><td></td></tr><tr><td>Dr. Prafulla Nandi</td><td>3,000</td><td></td><td>3,000</td><td></td></tr></table>					Senior Managerial Personnel Name [§]	No of Options granted (Pre-Bonus)			Cancelled	Granted	Exercised	Outstanding	Dr. GSR Anjaneyulu	30,000	30,000	-		Bhaskaraiah M	32,500	30,000	2,500		Anil Kumar	10,000	5,000		5,000	S. Srinivasa Rao	35,000	30,000	5,000		Vasudevan B	15,000	15,000			Martyn Oliver James Peck	20,000	20,000			Dr. Sreenivasa Rao	12,000		12,000		Rashmi Ranjan Patra	10,000			10,000	S. Srinivasa Rao	2,500		2,500		Venkata Ramana Rao Ch	2,500		2,500		Sunil Kumar I V	5,000			5,000	Narasimha Rao DVL	5,000		5,000		B V N S Siva kumar	5,000		5,000		Srinivas Rao. BVRKS	3,750		3,750		Sandeep Kachhwaha	1,250		1,250		Dr. Uma Maheshwara Rao V	5,000		5,000		Dr. Prafulla Nandi	3,000		3,000	
Senior Managerial Personnel Name [§]	No of Options granted (Pre-Bonus)			Cancelled																																																																																														
	Granted	Exercised	Outstanding																																																																																															
Dr. GSR Anjaneyulu	30,000	30,000	-																																																																																															
Bhaskaraiah M	32,500	30,000	2,500																																																																																															
Anil Kumar	10,000	5,000		5,000																																																																																														
S. Srinivasa Rao	35,000	30,000	5,000																																																																																															
Vasudevan B	15,000	15,000																																																																																																
Martyn Oliver James Peck	20,000	20,000																																																																																																
Dr. Sreenivasa Rao	12,000		12,000																																																																																															
Rashmi Ranjan Patra	10,000			10,000																																																																																														
S. Srinivasa Rao	2,500		2,500																																																																																															
Venkata Ramana Rao Ch	2,500		2,500																																																																																															
Sunil Kumar I V	5,000			5,000																																																																																														
Narasimha Rao DVL	5,000		5,000																																																																																															
B V N S Siva kumar	5,000		5,000																																																																																															
Srinivas Rao. BVRKS	3,750		3,750																																																																																															
Sandeep Kachhwaha	1,250		1,250																																																																																															
Dr. Uma Maheshwara Rao V	5,000		5,000																																																																																															
Dr. Prafulla Nandi	3,000		3,000																																																																																															
	[§] Senior Managerial Personnel as identified by the Company																																																																																																	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<table><tr><th>Name of Employee</th><th>No. of Options Granted (Pre-Bonus)</th><th>Financial Year of Grant</th></tr><tr><td>Tejavathi Y</td><td>1,500</td><td>2013</td></tr><tr><td>Veeraiah Chowdary G</td><td>2,000</td><td>2013</td></tr><tr><td>Rajendra Kumar SP</td><td>2,000</td><td>2013</td></tr><tr><td>Gopala Krishna T</td><td>1,500</td><td>2013</td></tr><tr><td>Dr Ravindra A</td><td>1,500</td><td>2013</td></tr><tr><td>Sreedhar S</td><td>2,000</td><td>2013</td></tr><tr><td>Nageswari A</td><td>2,000</td><td>2013</td></tr><tr><td>Jayashree K</td><td>1,500</td><td>2013</td></tr><tr><td>Dr Ashok Kumar R</td><td>3,000</td><td>2014</td></tr><tr><td>Ravindranath Chowdary V</td><td>2,000</td><td>2014</td></tr><tr><td>Divya Kumar V</td><td>2,000</td><td>2014</td></tr><tr><td>Sandirane S</td><td>2,000</td><td>2014</td></tr><tr><td>Dr Venkateswara Rao KV</td><td>2,000</td><td>2014</td></tr><tr><td>Dr Harikrishna KA</td><td>2,000</td><td>2014</td></tr></table>					Name of Employee	No. of Options Granted (Pre-Bonus)	Financial Year of Grant	Tejavathi Y	1,500	2013	Veeraiah Chowdary G	2,000	2013	Rajendra Kumar SP	2,000	2013	Gopala Krishna T	1,500	2013	Dr Ravindra A	1,500	2013	Sreedhar S	2,000	2013	Nageswari A	2,000	2013	Jayashree K	1,500	2013	Dr Ashok Kumar R	3,000	2014	Ravindranath Chowdary V	2,000	2014	Divya Kumar V	2,000	2014	Sandirane S	2,000	2014	Dr Venkateswara Rao KV	2,000	2014	Dr Harikrishna KA	2,000	2014																																																
Name of Employee	No. of Options Granted (Pre-Bonus)	Financial Year of Grant																																																																																																
Tejavathi Y	1,500	2013																																																																																																
Veeraiah Chowdary G	2,000	2013																																																																																																
Rajendra Kumar SP	2,000	2013																																																																																																
Gopala Krishna T	1,500	2013																																																																																																
Dr Ravindra A	1,500	2013																																																																																																
Sreedhar S	2,000	2013																																																																																																
Nageswari A	2,000	2013																																																																																																
Jayashree K	1,500	2013																																																																																																
Dr Ashok Kumar R	3,000	2014																																																																																																
Ravindranath Chowdary V	2,000	2014																																																																																																
Divya Kumar V	2,000	2014																																																																																																
Sandirane S	2,000	2014																																																																																																
Dr Venkateswara Rao KV	2,000	2014																																																																																																
Dr Harikrishna KA	2,000	2014																																																																																																

Particulars	Details																						
	Dr Kanna Rao KV	2,000	2014																				
	Siva Kumar S	2,000	2014																				
	Dr Mani Bushan K	5,000	2014																				
	Dr Radha Krishna S	5,000	2015																				
	Dr Sathyanarayana S	5,000	2015																				
	# The number of options are prior to bonus issue approved by the Shareholders on July 20, 2016 Note: The above table excludes the options granted to Senior Managerial Personnel who have been granted options amounting to 5% or more of the options granted during the year.																						
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil																						
Fully diluted Earnings per Equity Share – (face value ₹10 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with relevant accounting standards	On an unconsolidated basis: <table><tr><td>Financial Year 2012</td><td>2.41</td></tr><tr><td>Financial Year 2013</td><td>10.85</td></tr><tr><td>Financial Year 2014</td><td>11.98</td></tr><tr><td>Financial Year 2015</td><td>8.29</td></tr><tr><td>Financial Year 2016</td><td>14.59</td></tr></table> On a consolidated basis: <table><tr><td>Financial Year 2012</td><td>--</td></tr><tr><td>Financial Year 2013</td><td>--</td></tr><tr><td>Financial Year 2014</td><td>11.98</td></tr><tr><td>Financial Year 2015</td><td>7.71</td></tr><tr><td>Financial Year 2016</td><td>13.48</td></tr></table>			Financial Year 2012	2.41	Financial Year 2013	10.85	Financial Year 2014	11.98	Financial Year 2015	8.29	Financial Year 2016	14.59	Financial Year 2012	--	Financial Year 2013	--	Financial Year 2014	11.98	Financial Year 2015	7.71	Financial Year 2016	13.48
Financial Year 2012	2.41																						
Financial Year 2013	10.85																						
Financial Year 2014	11.98																						
Financial Year 2015	8.29																						
Financial Year 2016	14.59																						
Financial Year 2012	--																						
Financial Year 2013	--																						
Financial Year 2014	11.98																						
Financial Year 2015	7.71																						
Financial Year 2016	13.48																						
Lock-in	Nil																						
Impact on profit and Earnings per Equity Share – (face value ₹10 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed	Not Applicable																						
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹10 per Equity Share)	Not Applicable																						

Particulars	Details					
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock		Financial Year of Grant				
		2012	2013	2014	2015	2016
	Weighted average exercise Price (₹) per share	10	10	10	10	10
	Weighted average fair value of the options (₹) per option	105.96	163.95	175.94	262.84	525.65
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black Scholes Options Method					
	Financial year of Grant	April 2011- March 2012				
	Vesting	September 2013	September 2014	September 2015		
	Risk Free Interest (%)	8.34	8.32	8.31		
	Expected Life (years)	3.51	4.01	4.51		
	Expected Volatility	0	0	0		
	Expected Dividend (%)	0	0	0		
	The price of underlying Share in the Market (₹)	113.15	113.15	113.15		
	Financial year of Grant	April 2012- March 2013				
	Vesting	December 2014	December 2015	December 2016		
	Risk Free Interest (%)	8.01	8.02	8.04		
	Expected Life (years)	3.50	4.00	4.50		
	Expected Volatility	0	0	0		
	Expected Dividend (%)	0	0	0		
	The price of underlying Share in the Market (₹)	171.22	171.22	171.22		
	Financial year of Grant	April 2013 – March 2014				
	Vesting	September 2015	September 2016	September 2017		
	Risk Free Interest (%)	8.47	8.43	8.41		
	Expected Life (years)	3.50	4.00	4.50		
	Expected Volatility	0	0	0		
	Expected Dividend (%)	0	0	0		
	The price of underlying Share in the Market (₹)	183.10	183.10	183.10		
	Financial year of Grant	April 2014 – March 2015				
	Vesting	September 2016	September 2017	September 2018		
	Risk Free Interest (%)	8.56	8.56	8.56		
	Expected Life (years)	3.50	4.00	4.50		
	Expected Volatility	0	0	0		
Expected Dividend (%)	0	0	0			

Particulars	Details			
	The price of underlying Share in the Market (₹)	269.97	269.97	269.97
	Financial year of Grant	April 2015 – March 2016		
	Vesting	September 2017	September 2018	September 2019
	Risk Free Interest (%)	7.71	7.73	7.75
	Expected Life (years)	3.51	4.01	4.51
	Expected Volatility	0	0	0
	Expected Dividend (%)	0	0	0
	The price of underlying Share in the Market (₹)	533.00	533.00	533.00
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Except for 4 employees who intend to sell 14,500 pre-bonus Equity Shares arising out of conversion of options, there is no intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer.			
Intention to sell Equity Shares arising out of the ESOP 2011 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2011 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), which inter alia shall include name, designation and quantum of the equity shares issued under the ESOP 2011 and the quantum they intend to sell within 3 months.	Not Applicable			

The details of the Equity Shares issued under ESOP 2011 aggregated on a quarterly basis are as follows:

S.No.	Quarter/period ended	Number of Equity Shares issued	Price range (in ₹)
1	December 2013	122,875	10
2	March 2014	16,250	10
3	June 2014	Nil	
4	September 2014	123,375	10
5	December 2014	Nil	
6	March 2015	8,750	10
7	June 2015	10,000	10
8	September 2015	234,375	10
9	December 2015	11,000	10
10	March 2016	Nil	
11	June 2016	Nil	

15. Our Company, pursuant to resolutions passed by our Board and our Shareholders, dated April 29, 2016 and June 9, 2016, respectively has adopted ESOP 2016. The ESOP 2016 was last amended pursuant to resolutions passed by our Board and Shareholders dated August 9, 2016 and August 11, 2016, respectively. Pursuant to ESOP 2016, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2016). The aggregate number of Equity Shares, which may be issued under ESOP 2016, shall not exceed 1,200,000 Equity Shares. The ESOP 2016 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013.

Particulars	Details																															
Options granted	The total number of options approved for grant are 300,000 options. On July 20, 2016, the shareholders approved bonus issue of three Equity Shares for every one Equity Share held, consequent to which options granted and in force gets adjusted. Further, to this extent, Shareholders have specifically approved resolution in the EGM held on August 11, 2016. The total number of options granted prior to bonus was 171,938 (including lapsed and reissued options). ESOP 2016 provides that the said options shall automatically get adjusted on account of corporate actions including issue of bonus shares, split or rights issue The exercise price would also get automatically adjusted proportionately accordingly.																															
Pricing formula	Fair Market Value of the Equity Shares as on the date of grant less 25% discount. For the grant in July 2016, the exercise price based on the formula was fixed at ₹550 per Equity Share.																															
Vesting period	The options granted under the ESOP 2016 shall Vest in the manner set forth below: • 25% of options granted shall vest at the end of two year from the grant date • 25% of options granted shall vest at the end of three years from the grant date • 50% of options granted shall vest at the end of four years from the grant date																															
Options vested and not exercised	-																															
Options exercised	-																															
The total number of Equity Shares arising as a result of exercise of options	-																															
Options forfeited / lapsed	6,500																															
Variation of terms of options	The Nomination and Remuneration Committee and the Board of Directors of Company introduced transitional provisions during the period from filing of DRHP and until listing of shares of the Company on Stock Exchanges modifying the exercise period to 5 days on August 9, 2016 in the case employees who are separating from the Company during the transitional period.																															
Money realized by exercise of options	-																															
Total number of options in force (pre-Bonus)	171,938																															
Employee-wise detail of options granted to																																
i. Senior managerial personnel	<table><tr><th rowspan="2">Senior Managerial Personnel Name</th><th colspan="3">No of Options granted (pre – bonus grants)</th></tr><tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr><tr><td>Srinivasa Rao S</td><td>2,500</td><td>-</td><td>2,500</td></tr><tr><td>Bhaskaraiah M</td><td>2,500</td><td>-</td><td>2,500</td></tr><tr><td>Venkata Ramana Rao Ch</td><td>2,500</td><td>-</td><td>2,500</td></tr><tr><td>Sunil Kumar I V</td><td>5,000</td><td>-</td><td>5,000</td></tr><tr><td>Narasimha Rao DVL</td><td>5,000</td><td>-</td><td>5,000</td></tr><tr><td>Srinivasa Rao S</td><td>5,000</td><td>-</td><td>5,000</td></tr></table>	Senior Managerial Personnel Name	No of Options granted (pre – bonus grants)			Granted	Exercised	Outstanding	Srinivasa Rao S	2,500	-	2,500	Bhaskaraiah M	2,500	-	2,500	Venkata Ramana Rao Ch	2,500	-	2,500	Sunil Kumar I V	5,000	-	5,000	Narasimha Rao DVL	5,000	-	5,000	Srinivasa Rao S	5,000	-	5,000
Senior Managerial Personnel Name	No of Options granted (pre – bonus grants)																															
	Granted	Exercised	Outstanding																													
Srinivasa Rao S	2,500	-	2,500																													
Bhaskaraiah M	2,500	-	2,500																													
Venkata Ramana Rao Ch	2,500	-	2,500																													
Sunil Kumar I V	5,000	-	5,000																													
Narasimha Rao DVL	5,000	-	5,000																													
Srinivasa Rao S	5,000	-	5,000																													

Particulars	Details											
	Srinivas Rao. BVRKS	3,750	-	3,750								
	Sandeep Kachhwaha	1,250	-	1,250								
	Dr.V.Uma Maheshwara Rao	10,000	-	10,000								
	Dr.Prafulla Nandi	3,000	-	3,000								
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<table><tr><th>Name of Employee</th><th>No. of Options Granted (pre- Bonus grants)</th></tr><tr><td>Dr V Uma Maheswara Rao</td><td>10,000</td></tr></table>					Name of Employee	No. of Options Granted (pre- Bonus grants)	Dr V Uma Maheswara Rao	10,000			
Name of Employee	No. of Options Granted (pre- Bonus grants)											
Dr V Uma Maheswara Rao	10,000											
iii. Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil											
Fully diluted Earnings per Equity Share – (face value ₹10 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with relevant accounting standards												
Lock-in	Nil											
Impact on profit and Earnings per Equity Share – (face value ₹10 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed	Not Applicable											
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹10 per Equity Share)	Not Applicable											
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	<table><tr><th rowspan="2"></th><th>Financial Year of Grant</th></tr><tr><th>2017</th></tr><tr><td>Weighted average exercise Price (₹) per share</td><td>550</td></tr><tr><td>Weighted average fair value of the options (₹) per option</td><td>84.45</td></tr></table>						Financial Year of Grant	2017	Weighted average exercise Price (₹) per share	550	Weighted average fair value of the options (₹) per option	84.45
	Financial Year of Grant											
	2017											
Weighted average exercise Price (₹) per share	550											
Weighted average fair value of the options (₹) per option	84.45											
Description of the method	Black Scholes Options Method											

Particulars	Details			
and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Financial year of Grant	April 2016 – March 2017		
	Vesting	July 2018	July 2019	July 2020
	Risk Free Interest (%)	7.03	7.16	7.26
	Expected Life (years)	2.50	3.50	4.50
	Expected Volatility	0	0	0
	Expected Dividend (%)	0.39	0.39	0.39
	The price of underlying Share in the Market (₹)	514.79	514.79	514.79
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Not Applicable			
Intention to sell Equity Shares arising out of the ESOP 2015 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2015 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), which inter alia shall include name, designation and quantum of the equity shares issued under the ESOP 2015 and the quantum they intend to sell within 3 months.	Not Applicable			

16. Except as stated below, none of the members of our Promoter Group, our Promoters, our Directors and their immediate relatives have purchased or sold any securities of our Company or the Subsidiary during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI:

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of equity shares	Price per equity shares (₹)	Aggregate Consideration (in ₹)	Percentage (%) of the pre-Offer capital
Dr. Satyanarayana Chava	Padiyath Mohammed Akbarali	April 1, 2016	10 equity shares of Viziphar	1.22	12.20	N/A ⁽¹⁾

⁽¹⁾ Dr. Satyanarayana Chava sold 10 shares of the Erstwhile Subsidiary, see "History and Certain Corporate Matters" on page 186

17. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 173.
18. Neither our Company nor our Directors have and, neither our Company nor our Directors shall enter, into buyback arrangements for purchase of the Equity Shares to be offered as a part of the Offer except as may be permitted under the safety net facility as per the SEBI ICDR Regulations. Further, the

BRLMs have not made any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.

19. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
20. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
21. Our Promoters, Promoter Group and Group Entity will not participate in the Offer.
22. There have been no financing arrangements whereby our Promoters, Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
23. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.
24. Except for any issue of Equity Shares pursuant to exercise of employee stock options granted under ESOP 2011 or ESOP 2016, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.
25. The Offer is being made in terms of Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Net Offer shall be Allotted on a proportionate basis to QIBs. Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are mandatorily required to utilise the ASBA process by providing details of their respective bank accounts which will be blocked by the SCSBs, to participate in the Offer. For further details, see "Offer Procedure" on page 397.
26. Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than [●] Equity Shares at or above the Offer Price, allocation shall be made on a proportionate basis. The Employee Reservation Portion will not exceed 5% of the post-Offer capital of our Company.
27. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Such inter-se spillover, if any,

would be effected in accordance with applicable laws, rules, regulations and guidelines. Undersubscription, if any, in the QIB Category will not be allowed to be met with spill-over from any category or combination thereof.

28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
30. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
31. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group and Group Entity, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
32. Except options granted pursuant to ESOP 2011 and ESOP 2016, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

Requirement of Funds

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards the following objects:

1. Pre-payment of term loans; and
2. General corporate purposes (collectively, referred to as the “**Objects**”).

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

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

Offer Proceeds and Net Proceeds

The details of the proceeds of the Fresh Issue are summarised in the table below:

Particulars	Amount (in ₹million) ⁽¹⁾
Gross Proceeds of the Fresh Issue	3,000
(Less) Fresh Issue related expenses ⁽¹⁾	[●]
Net Proceeds	[●]

⁽¹⁾ To be finalised upon determination of the Offer Price.

Requirement of Funds and Utilization of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Particulars	Amount (in ₹million)
Pre-payment of term loans	[●]
General corporate purposes ⁽¹⁾	[●]
Total Net Proceeds	[●]

⁽¹⁾ To be finalised upon determination of the Offer Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

The fund requirements for the Objects are based on management estimates and financing and other agreements entered into by our Company and have not been appraised by any bank or financial institution. In case of a shortfall of Net Proceeds, our management may explore alternate means for such prepayment (as the case may be), including utilization of internal accruals or further debt financing. We may have to revise our funding requirements and deployment on account of various factors such as our financial condition, business and strategy as well as external factors such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of our management.

Schedule of Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

Particulars	Amount to be funded from the Net Proceeds ⁽¹⁾	Estimated Utilisation of Net Proceeds (in ₹ million)	
		Fiscal 2017	Fiscal 2018
Pre-payment of term loans	[●]	[●]	[●]

Particulars	Amount to be funded from the Net Proceeds ⁽¹⁾	Estimated Utilisation of Net Proceeds	
		Fiscal 2017	Fiscal 2018
General corporate purposes ⁽¹⁾	[●]	[●]	[●]
Total	[●]	[●]	[●]

(1) To be finalized upon determination of the Offer Price

Means of Finance

The fund requirements set out below are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals as required under the SEBI ICDR Regulations.

Details of the Objects of the Fresh Issue

1. Pre-payment of term loans

Our Company has entered into various financing arrangements with banks and financial institutions. Arrangements entered into by our Company include borrowings in the form of secured loans, unsecured loans, long term facilities and short term facilities. For details of these financing arrangements including the terms and conditions, see “Financial Indebtedness” on page 338. As on June 30, 2016, the amounts outstanding under the loan agreements entered into by our Company and our Subsidiary were ₹11,152.85 million (including foreign currency loans of USD 41.82 million, converted at 1USD = ₹67.62).

Our Company intends to utilize ₹[●] million from the Net Proceeds towards partial pre-payment of long term borrowings. We believe that such pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be pre-paid will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to pre-pay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents for pre-payment from or waiver of such conditions by the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding, the remaining tenor of the loan and the due date for making payment of a loan installment.

Some of our loan agreements provide for the levy of pre-payment penalties or premiums. We will take such provisions into consideration while deciding the loans to be pre-paid from the Net Proceeds. Payment of such pre-payment penalty, if any, shall be made out of the Net Proceeds. In the event that the Net Proceeds are insufficient for such payment of pre-payment penalty, the payment shall be made from the existing internal accruals of our Company. We may also be required to provide notice to some of our lenders prior to pre-payment.

The following table provides details of certain loans availed by our Company, out of which any or all of the loans may be pre-paid from the Net Proceeds, without any obligation to any particular bank/ financial institution:

Sr. No.	Name of the lender	Particulars of documentation*	Amount Sanctioned	Amount outstanding as on June 30, 2016	Interest Rate (% per annum)	Purpose	Repayment Schedule	Prepayment Penalty/ Conditions
1.	Export and Import Bank of India	Sanction letter dated November 27, 2013; and rupee loan agreement dated December 16, 2013	₹490.00 million	₹427.50 million	Exim Bank's long term medium lending rate + 300 bps per annum **	To part finance setting up of a new facility for manufacturing of pharmaceutical ingredients and APIs at Jawaharlal Nehru Pharma City, Visakhapatnam	23 structured quarterly instalments commencing after moratorium. Moratorium shall be 12 months from date of project completion/ commencement of commercial operation	Prepayment of loan at any time other than in the event of non-acceptability of a higher/increased interest rate on the reset date (i.e., one year from the date of first disbursement), may be considered by Exim Bank and upon such terms and conditions as it may specify in this regard, including payment of prepayment premium of 1% of the outstanding amount.
2.	Export and Import Bank of India	Sanction letter dated January 17, 2013 and January 24, 2013; dual currency (rupee-dollar) loan agreement dated January 30, 2013; letter dated March 12, 2013 and letter dated September 26, 2014	₹1,000.00 million	₹543.16 million	For drawdown in ₹: Exim Bank's long term minimum lending rate + 200 bps per annum For drawdown in USD: USD Libor (6m) + 525 bps per annum	To part finance (a) capacity expansion at Unit 1; and (b) setting up of manufacturing block at Unit 2	The loan shall be repaid in 18 equal quarterly instalments commencing after moratorium. Moratorium shall be 3 months from date of commencement of commercial production or 18 months from the date of first disbursement, whichever is earlier	Prepayment of loan at any time other than in the event of non-acceptability of a higher/increased interest rate on the reset date, may be considered by Exim Bank and upon such terms and conditions as it may specify in this regard, including payment of prepayment premium of 1% of the outstanding amount.
3.	Punjab National Bank	Sanction letter dated August 13,	₹1,450.00 million	₹1,450.00	1.75% spread over the	To part finance the expansion project of our	Principal amount is to be paid in 20 quarterly	Our Company may prepay part or full amount with one month's

Sr. No.	Name of the lender	Particulars of documentation*	Amount Sanctioned	Amount outstanding as on June 30, 2016	Interest Rate (% per annum)	Purpose	Repayment Schedule	Prepayment Penalty/ Conditions
		2014		million	prevailing base rate of the bank	Company and for installation/ enhancement of additional capacities at Unit 1, 2 and 3.	instalments in a ballooning method from June, 2016 to March, 2021	notice and without any prepayment premium, however, a penalty of 2% on the balance outstanding amount is applicable in case of prepayment through borrowed funds from other banks or financial institutions or credit agency
4.	ICICI Bank Limited	Credit arrangement letter dated July 30, 2013; addenda to the credit arrangement letter dated August 5, 2013 and October 21, 2013; and rupee loan facility agreement dated September 06, 2013	₹225.30 million	₹ 178.37 million	The rate of interest shall be a sum of I-Base and spread per annum plus applicable interest tax or other statutory levy, if any, on the principle amount of the loan remaining outstanding each day	For import of machinery and procurement of raw materials, consumable stores, spares and tools from foreign supplier	The facility consists of a term loan and a buyer's credit. The term loan is repayable in equal quarterly instalments from the date of disbursement for the remaining tenor and in any case will not be less than a door-to-door tenor of 5 years and the buyer's credit is repayable on April 24, 2017.	Our Company has the option to prepay the loan without any prepayment penalty within 45 days of reset of "spread" provided an irrevocable notice to prepay the loan has been given by the borrower to the bank within 15 days of reset of "spread". In all other cases, a prepayment penalty of 1% of the amount of the facility prepaid shall be levied together with 15 days' prior written notice.
5.	Hong Kong and Shanghai Banking Corporation	Sanction letter dated January 13, 2016; and Agreement for	₹500.00 million	₹500.00 million	Interest rate to be charged on daily balances at mutually	Refund of capex incurred after April 01, 2015	Six months moratorium and 10 quarterly repayments of ₹50 million each	Any prepayment of the term loan shall be subject to funding penalties at the bank's discretion

Sr. No.	Name of the lender	Particulars of documentation*	Amount Sanctioned	Amount outstanding as on June 30, 2016	Interest Rate (% per annum)	Purpose	Repayment Schedule	Prepayment Penalty/ Conditions
		term loan dated March 10, 2016			agreed rates and will be determined with reference to the then prevalent base rate			
6.	Bank of Bahrain and Kuwait	Sanction letter dated January 18, 2012; and Agreement dated July 21, 2012 for term loan facility	USD 5.40 million^	USD 1.68 million	Sum of the applicable six months LIBOR and interest margin of 3.50% per annum	The amounts borrowed shall be utilised towards financing specific capital expenditure in compliance with relevant guidelines of the RBI applicable to External Commercial Borrowings	Repayable in 16 quarterly instalments – 15 quarterly instalments of USD 0.338 million and 16 th instalment of USD 0.33 million after a moratorium of 4 quarters from the date of first draw down.	Our Company may prepay the loan in full or in part, subject to a minimum amount of USD 1 million and in integral multiples of USD 0.5 million on any interest payment date and without penalty, subject to prior written notice of 30 days of such prepayment as long as the prepayment is from the Company's own funds. Prepayment using funds borrowed from any other bank/ financial institution will be subject to penal interest of 1.5% on the outstanding amount. Prepayment is subject to RBI norms for External Commercial Borrowings especially with respect to average loan maturity, all-in-cost, etc.

*Our Company has also executed security documents including hypothecation agreements, personal guarantees and undertakings as per the loan agreements/ sanction letters for the purpose of securing the loans availed

** The rate of interest shall be at par with State Bank of India rate of interest and at no given time be lower than 12.25% per annum

^As of June 30, 2016, 1 USD = ₹67.62 (Source: <https://rbi.org.in>)

Given the nature of these borrowings and the terms of pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are pre-paid or further drawn-down prior to the completion of the Offer, we may utilize Net Proceeds towards pre-payment of such additional indebtedness.

As per the certificate dated August 16, 2016 issued by Ramasamy Koteswara Rao & Co. , Chartered Accountants, the above facilities have been utilised for the purposes for which they were sanctioned.

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include investment in our Subsidiary, short term working capital requirements, meeting exigencies and expenses incurred, by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board.

In accordance with section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

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

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. Each of the Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on behalf of such Selling Shareholder. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company. The break-up for the estimated Offer expenses are as follows:

Activity	Amount ⁽¹⁾ (₹ in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾

Activity	Amount ⁽¹⁾ (₹ in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Payment to the BRLMs (including brokerage and selling commission)	[●]	[●]	[●]
Commission and processing fees for SCSBs ⁽²⁾	[●]	[●]	[●]
Brokerage and selling commission for members of the Syndicate, Registered Brokers RTAs and CDPs ⁽³⁾⁽⁴⁾	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses			
Advertising and marketing expenses			
Others:	[●]	[●]	[●]
i. Listing fees;			
ii. SEBI, BSE and NSE processing fees;			
iii. Fees payable to Legal Counsels; and			
iv. Miscellaneous.			
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Will be completed after finalisation of the Offer Price

⁽²⁾ SCSBs will be entitled to a processing fee of ₹[●] per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, Brokers, sub-syndicate/agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs

⁽³⁾ Members of the Syndicate, RTAs, CDPs and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:

- Portion for Retail Individual Bidders: [●]% of the Amount Allotted*
- Portion for Non-Institutional Bidders: [●]% of the Amount Allotted*

⁽⁴⁾ Registered Brokers will be entitled to a commission of ₹[●] per every valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges
(All of the above are exclusive of applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price

Monitoring Utilization of Funds

As this is a Fresh Issue for less than ₹5,000 million, we are not required to appoint a monitoring agency for the purpose of the Offer in terms of regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of the Net Proceeds through its Audit Committee.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above and details of category wise variation in the actual utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Telugu, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do

not agree to the above stated proposal, at a price and in such manner as may be prescribed by SEBI in chapter VI-A of the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Board of Directors, our Key Management Personnel or Group Entity. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, our Board, our Key Management Personnel, our Associate Company or our Group Entity.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price of the Price Band.

Investors should also refer to “Our Business”, “Risk Factors” and “Financial Statements” on pages 161, 17 and 224, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Leadership in APIs in Select, High Growth Therapeutic Areas;
- Strong R&D Capabilities and Process Chemistry Skills;
- Industry Leading, Modern and Regulatory Compliant Manufacturing Capacities;
- Long-standing Relationships with Multi-National Pharmaceutical Companies;
- Experienced Promoters and Qualified Operational Personnel; and
- Established Track Record of Delivering Growth.

For further details, see “Our Business - Our Strengths” on page 162.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Unconsolidated Financial Statements and the Restated Consolidated Financial Statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see “Financial Statements” on page 224.

Note:

The accounting ratios shown below are after taking into account the impact of the dilutive effect of the outstanding stock options pursuant to ESOP 2011 and ESOP 2016

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

A. Basic and Diluted Earnings Per Share (“EPS”):

On an unconsolidated basis

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2014	15.89	1	11.98	1
March 31, 2015	11.90	2	8.29	2
March 31, 2016	22.60	3	14.59	3
Weighted Average	17.92		12.06	

All share data has been adjusted for the issue of fully paid bonus shares in the ratio of three bonus Equity Shares for every one Equity Share on July 27, 2016 by capitalisation of the securities premium account and free reserves as of Financial Year 2016, pursuant to the approval of the shareholders of the Company at the EGM held on July 20, 2016

Note:

1. *The EPS calculations have been done in accordance with Accounting Standard 20 – “Earnings per Share” prescribed by the Companies (Accounting Standards) Rules, 2006*
2. *The ratios have been computed as below:*
 - a. *Basic EPS (in ₹) = Net profit, after tax, as restated for the year, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year*
 - b. *Diluted EPS (in ₹) = Net profit, after tax, as restated for the year, attributable to equity shareholders / Weighted average number of dilutive equity shares outstanding during the year*

On a consolidated basis:

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2014	15.89	1	11.98	1
March 31, 2015	11.07	2	7.71	2
March 31, 2016	20.86	3	13.48	3
Weighted Average	16.77		11.31	

All share data has been adjusted for the issue of fully paid bonus shares in the ratio of three bonus Equity Shares for every one Equity Share on July 27, 2016 by capitalisation of the securities premium account and free reserves as of Financial Year 2016, pursuant to the approval of the shareholders of the Company at the EGM held on July 20, 2016

Note:

- The EPS calculations have been done in accordance with Accounting Standard 20 – “Earnings per Share” prescribed by the Companies (Accounting Standards) Rules, 2006
- The ratios have been computed as below:
 - Basic EPS (in ₹) = Net profit, after tax, as restated for the year, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
 - Diluted EPS (in ₹) = Net profit, after tax, as restated for the year, attributable to equity shareholders / Weighted average number of dilutive equity shares outstanding during the year

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for FY 2016 on an unconsolidated basis	[●]	[●]
Based on basic EPS for FY 2016 on a consolidated basis	[●]	[●]
Based on diluted EPS for FY 2016 on an unconsolidated basis	[●]	[●]
Based on diluted EPS for FY 2016 on a consolidated basis	[●]	[●]

Industry Peer Group P/E ratio

Divis Laboratories Ltd. and Aurobindo Pharma Limited are the listed public industry peers of our Company with a positive P/E ratio.

	Industry P/E*
Highest	27.69
Lowest	22.10
Industry Composite	24.90

* Source: For Industry P/E, P/E figures for the peers are computed based on closing market price as on August 10, 2016 at NSE, (available at www.nseindia.com) divided by Basic EPS (on consolidated basis) based on the annual reports of such companies for the Fiscal Year 2016

C. Average Return on Net Worth (“RoNW”)

On an unconsolidated basis

Fiscal Year ended	RoNW (%)	Weight
March 31, 2014	27.12%	1
March 31, 2015	10.11%	2
March 31, 2016	16.55%	3
Weighted Average	16.17%	

Note:

RoNW = Net profit after tax, as restated for the year, attributable to equity shareholders / Net worth (excluding revaluation reserve), as restated, at the end of the year

On a consolidated basis

Fiscal Year ended	RoNW (%)	Weight
March 31, 2014	27.12%	1
March 31, 2015	9.47%	2
March 31, 2016	15.57%	3
Weighted Average	15.46%	

Note:

RoNW = Net profit after tax, as restated for the year, attributable to equity shareholders / Net worth (excluding revaluation reserve), as restated, at the end of the year

D. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2016

On an unconsolidated basis:

- 1) To maintain pre-offer Basic EPS:
At the Floor Price – [●]
At the Cap Price – [●]
- 2) To maintain pre-offer Diluted EPS:
At the Floor Price – [●]
At the Cap Price – [●]

On a consolidated basis:

- 1) Based on Basic EPS:
At the Floor Price – [●]
At the Cap Price – [●]
- 2) Based on Diluted EPS:
At the Floor Price – [●]
At the Cap Price – [●]

E. Net Asset Value (“NAV”) per Equity Share of face value of ₹10 each

NAV per Equity Share	₹ NAV Unconsolidated	₹ NAV Consolidated
As on March 31, 2016	137.53	135.06
After the Offer		
- At the Floor Price	[●]	[●]
- At the Cap Price	[●]	[●]
- Offer Price	[●]	[●]

The NAV has been adjusted for the issue of fully paid bonus shares in the ratio of three bonus Equity Shares for every one Equity Share on July 27, 2016 by capitalisation of the securities premium account and free reserves as of Financial Year 2016, pursuant to the approval of the shareholders of the Company at the EGM held on July 20, 2016

Note:

NAV = Net Asset Value, as restated, at the end of the year / Number of equity shares outstanding at the end of the year

F. Comparison with Listed Industry Peers

Our Company is a manufacturer of generic active pharmaceutical ingredients and speciality ingredients for use in nutraceuticals, dietary supplements and cosmeceutical products. We believe that the following listed companies in India are focused on these segments.

Name of the company	Revenue from operations (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Divis Laboratories Ltd	37,764	2	27.69	41.88	28.57%	161.51
Aurobindo Pharma Limited	138,961	1	22.10	33.74	32.17%	121.61

Source: Company filings, Bloomberg, NSE

Notes:

1. Basic EPS (on consolidated basis) is based on the annual reports of such companies for the Fiscal Year 2016
2. Net-worth = Shareholders funds + minority interest
3. Return on Net-worth = Net income after Minority interest adjusted for Exceptional items / Average Net-worth
4. NAV / Share = Net worth at the end of Fiscal March 31, 2016 divided by the total number of Equity Shares outstanding as at March 31, 2016

G. The Offer Price will be [●] times of the face value of the Equity Shares.

The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 17, 161, 341 and 224, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “Risk Factors” beginning on page 17 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

August 16, 2016

To,

The Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
2nd Floor, Serene Chambers,
Road No. 7, Banjara Hills,
Hyderabad – 500 034.

Dear Sirs,

Sub: Statement of possible tax benefits available to Laurus Labs Limited ('Laurus' or 'Company') and its shareholders under the Indian tax laws.

We hereby confirm that the enclosed annexure, prepared by Laurus states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('Act') as amended by Finance Act, 2016. Several of these benefits are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

- The Company or its shareholders will continue to obtain the benefits as per the Statement in future;
- The conditions prescribed for availing the benefits, wherever applicable have been/ would be met with; and
- The revenue authorities/courts will concur with the views expressed herein.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 101049W

per **Vikas Kumar Pansari**
Partner
Membership No. 093649

Place: Hyderabad
Date: August 16, 2016

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to Laurus Labs Limited ('Laurus' or 'the Company') and its equity shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the tax laws currently 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 AS WELL AS IN RESPECT OF THE POSSIBLE BENEFITS AVAILABLE TO THE COMPANY.

A. BENEFITS AVAILABLE TO THE COMPANY - UNDER THE ACT

1. Special Tax Benefits available to the Company

The following special tax benefits are available to the Company after fulfilling conditions as per the respective provisions of the Act.

- **Income arising from units established in Special Economic Zones ('SEZ')**

As per the provisions of section 10AA of the Act, the eligible units of the Company are eligible to claim a deduction in respect of its profits from export of goods or services as under:

- a) 100% deduction for the first five years, beginning with the year in which the unit begins to manufacture goods or provide services;
- b) 50% deduction for the next five years (i.e. 6th to 10th year); and
- c) 50% deduction for the subsequent five years (i.e. 11th to 15th year), subject to satisfaction of further conditions prescribed for reinvestment in the business

The deduction under section 10AA of the Act is subject to fulfilment of prescribed conditions specified under the relevant provisions of the Act.

No deduction shall be available to units commencing manufacture or production of article or thing or start providing services on or after 1 April, 2020 (from FY 2020-21 onwards).

The Company shall be entitled to claim the deduction under section 10AA of the Act with respect to its manufacturing Units at Parwada, Visakhapatnam ('Unit 5') and Achutapuram, Visakhapatnam ('Unit 2').

We understand that the said SEZ units have not yet commenced commercial operations and are under development. Accordingly, the said SEZ units of the Company shall be eligible for deduction under section 10AA of the Act from the year in which they commence manufacture. However, the units shall not be entitled for the deduction under section 10AA of the Act if they commence operations on or after 1 April 2020.

However, the aforesaid deduction is not available while computing the tax liability of the Company under Minimum Alternative Tax. Refer section 2.4 for further details.

- **Expenditure on scientific research**

- As per the provisions of section 35(1)(i) of the Act, any revenue expenditure laid out or expended on scientific research related to the business is eligible for 100% deduction.
It also provides for weighted deduction for any donations or payments made to approved universities or colleges or other institutions which are engaged in carrying out such scientific research activities.
Section 35(2) provides for deduction of 100% of capital expenditure expended on scientific research related to business, except for the cost incurred for acquisition of any land.
- As per the provisions of section 35(2AB) of the Act, a company engaged in the business of manufacture or production of any article incurs any expenditure on scientific nature (excluding the cost of land and building) on in house research and development facility, would be allowed a deduction of 200% of the expenditure so incurred.

The deduction under section 35(2AB) of the Act is subject to requisite approvals from the Department of Scientific and Industrial Research and on fulfilment of other conditions, including but not restricted to maintenance of books of accounts, etc.

Weighted deduction restricted to 150% for expenditure incurred from 1 April 2017 to 31 March 2020 (i.e. from PY 2017-18 to PY 2019-20) and 100% from 1 April 2020 (i.e. from previous year 2020-21 onwards)

As per the provision of section 35(2AB), once a deduction is allowed under this provision, the same expenditure is not allowed for deduction under any other section of the Act.

- **Investment Allowance**

Section 32AC of the Act provides for one-time additional deduction at the rate of 15% on new assets acquired and installed by the assessee subject to fulfilment of following conditions:

- The assessee should be engaged in the manufacture or production of any article or thing;
- As per section 32AC (1) of the Act, deduction equal to 15% of cost is allowed if the total cost of plant and machinery shall exceed INR 1,000 million and should be acquired and installed after 31 March 2013 and before 1 April 2015, as reduced by the amount of deduction claimed, if any, with respect to plant and machinery acquired and installed after 31 March 2013 but before 1 April 2014;
- As per section 32AC (1A) of the Act, deduction equal to 15% of the total cost of the plant and machinery shall be allowed where the actual cost of the new asset acquired during the PY exceeds INR 250 million and such assets are installed on or before 31 March 2017. Further, the deduction shall be allowed in the year in which the assets are installed.
- Further, if deduction is claimed under section 32AC (1) for the financial year 2014-15, deduction under section 32AC (1A) shall not be available;
- The plant and machinery before its installation should not be used either in India or outside India by any other person;
- The plant and machinery should not be installed in any office premises or residential accommodation or should not be in the nature of office appliances;
- The plant and machinery does not include any office appliances including computer and computer software, or vehicles; and

- The plant and machinery, the whole of actual cost of which is allowed as deduction in computing income chargeable under the head “Profits and gains of business and profession” of any previous year.
- **Concessional rate of tax on royalty income - Section 115BBF**

Section 115BBF has been introduced vide Finance Act 2016, wherein royalty income from patents developed and registered in India are to be taxed at a concessional rate of 10% w.e.f. AY 2017-18.

As per the provisions of section 115BBF of the Act, where the total income of the eligible assessee income includes any income by way of royalty in respect of a patent developed and registered in India, then such royalty shall be taxable at the rate of 10% (plus applicable surcharge and cess) on the gross amount of royalty. No expenditure or allowance in respect of such royalty income shall be allowed under the Act.

As per the provisions of section 115BBF of the Act, once the taxpayer opts for the concessional tax regime, it may not be able to opt out even if the net taxation appears favourable.

BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE ACT

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

Notes:

- *The above Statement of Tax Benefits sets out the provisions of law (i.e. the Act as amended by the Finance Act 2016) presently in force in India, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*
- *The above Statement of Tax Benefits sets out the only the special tax benefits available to the Company and the shareholders under the current tax laws (i.e. the Act as amended by the Finance Act 2016) presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*
- *The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law;*
- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile;*
- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders;*
- *The tax rates (including rates for tax deduction at source) mentioned in this Statement is applicable for AY 2017-18.*

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from the Frost & Sullivan reports titled ‘Independent Market Research Report for IPO covering Anti-Retro Virals (ARV) in Selected Geographies, June 2016’ (“**ARV Report**”), ‘Independent Market Research Report for IPO covering Hepatitis C in India, May 2016’ (“**Hepatitis C Report**”), ‘Independent Market Research Report for IPO covering Oncology in G7 Countries’ (“**Oncology Report**”), ‘Independent Market Research Report for IPO covering Contract Research and Manufacturing Services (CRAMS) in India, June 2016’ (“**CRAMS Report**”), and ‘Independent Market Research Report for IPO covering Nutraceuticals in Selected Geographies, June 2016’ (“**Nutraceuticals Report**”), together (“Frost & Sullivan Report”) which were commissioned by our Company and other publicly available sources. Unless specified otherwise, all information in this section has been derived from these reports. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

Macroeconomic Overview of India

Against a global economic background of volatility and rising risks of extreme events, India is a beacon of growth on a steady expansionary path. The country’s gross domestic product (“**GDP**”) is expected to grow at an impressive CAGR of 5.6% between 2016 and 2022. Driven by strong macroeconomic fundamentals including moderate inflation, a narrow current account deficit, fiscal consolidation, and the Government’s reform drive, India has overtaken China to become the world’s fastest growing major economy in 2016. The future growth prospects of Asia’s third-largest economy are also bright, even as many of the world’s leading economies are slowing down.

The growth is likely to be supported by strong consumption demand aided by favorable demographics and the Government’s ‘reform to transform’ approach. The development agenda of ‘Vision 2022’ seeks to ensure pan-India access to employment, economic opportunities, housing, electricity, water, sanitation, online connectivity, medical facilities and schools by 2022.

The Indian government has undertaken multiple initiatives to fast-track growth. Reforms to improve the business environment, enhance investment in infrastructure, liberalise norms for foreign direct investment (“**FDI**”), provide speedy resolutions to business disputes, along with simplifying and lowering corporate taxes have been initiated. Additionally, initiatives have been undertaken to improve the ease of doing business in India. For example, new de-licensing and de-regulation measures will reduce complexity and significantly increase the speed and transparency of transactions.

Flagship schemes of the Indian government such as ‘Make in India’, ‘Skill India’, ‘Digital India’, and ‘Start-up India’ are expected to create opportunities in all sectors of the economy and build long-term growth engines for the country. Furthermore, the Companies (Amendment) Act, 2015, has removed requirements of minimum paid-up capital and common seal for companies. All these initiatives are expected to make India an attractive destination to do business and thereby attract greater investment. Buoyed by these factors, India’s ease of doing business rank, as per the World Bank estimates, improved from 134 in 2015 to 130 in 2016.

Overview of the Global Pharmaceutical Market:

The global pharmaceutical industry is in a state of flux, working towards win-win transformations across all value chains from manufacturers, providers, payers, and patients. The global pharmaceutical market was estimated to be around US\$ 894.2 billion in 2015 and is expected to grow at a CAGR (2015–2020) of 9.8% annually to reach US\$ 1427.1 billion by 2020.

North America accounted for the largest market share of around 40% by value, followed by Europe with around 32% of the market share. This is mainly due to the leading role of the US and European pharmaceutical

industry.

In 2015, the generic drugs market comprised a major segment of the pharmaceutical industry valued at US\$ 330.87 Billion, covering a significant 37% share of the global pharmaceutical market. The generic market is poised for significant growth in the next few years and is expected to reach US\$ 557.37 billion in 2020, growing at a CAGR of 11% from 2015 to 2020.

The US is the world's largest generic pharmaceuticals market with a share of 25.4%, valued at US\$ 84.03 billion in 2015 and growing at a CAGR (2015–2020) of 7.4%. China ranks second, occupying around 18.6% market share of the global generics market and is valued at US\$ 61.4 billion, growing at a CAGR (2015–2020) of 12.3%. India has emerged as a major market for consumption as well as manufacturing of generics, targeting exports of 40% and above to the US each year.

Top 10 global generic pharmaceutical companies

The following chart sets forth the top 10 generic pharmaceutical companies globally. Three out of the 10 top generic companies are Indian.

S.No	Company	Revenues (2015) (USD Bn)
1	Teva Pharmaceutical Industries	9.5
2	Sandoz	9.2
3	Mylan	8.17
4	Fresenius Kabi	5.9
5	Hospira (Now a part of Pfizer)	4.7
6	Sun Pharmaceutical Industries	3.9
7	Aspen Pharmacare	2.3
8	Sanofi	2.1
9	Lupin	1.9
10	Cipla	1.8

Overview of the Indian Pharmaceutical Industry

The Indian pharmaceutical has been one of the success stories in the manufacturing sector, due to Indian manufacturers' expertise in chemistry, low cost arbitrage and their ability to align their processes with the most stringent regulations of the world, i.e. USFDA and MHRA.

The Indian pharmaceuticals industry has been growing between 12%-14% over the past of couple of years and on a broad level the industry is well geared to cater to the domestic needs of the country. The size of the pharmaceutical industry in India was estimated to be US\$22 billion of which formulations contributed US\$14 billion and the rest being accounted for by bulk drugs.

The Indian pharmaceutical industry is comprised of 70-75% generic drugs and rest being contributed by patented and innovative molecules and OTC products.

The Indian pharmaceutical industry accounts for the second largest number of Abbreviated New Drug Applications (“**ANDAs**”) and is the world's leader in Drug Master Files (“**DMFs**”) applications with the US. India is also the largest global exporter of formulations in terms of volume, and 12th in terms of export value, with 14% market share.

Advantage India: Pharmaceutical Sector

India is one among the top five pharmaceutical emerging markets globally and is a front runner in a wide range of specialties involving manufacturing and development of complex drugs. India has about 40% of all Abbreviated New Drug Application (ANDA) approvals from US FDA. The Indian API manufacturing industry is the third largest in the world, producing over 400 APIs. Globally Indian companies hold more than 90% of APIs approvals for ARVs, Anti-Tuberculosis and Anti-malarials.

India also has many other advantages and established credentials such as:

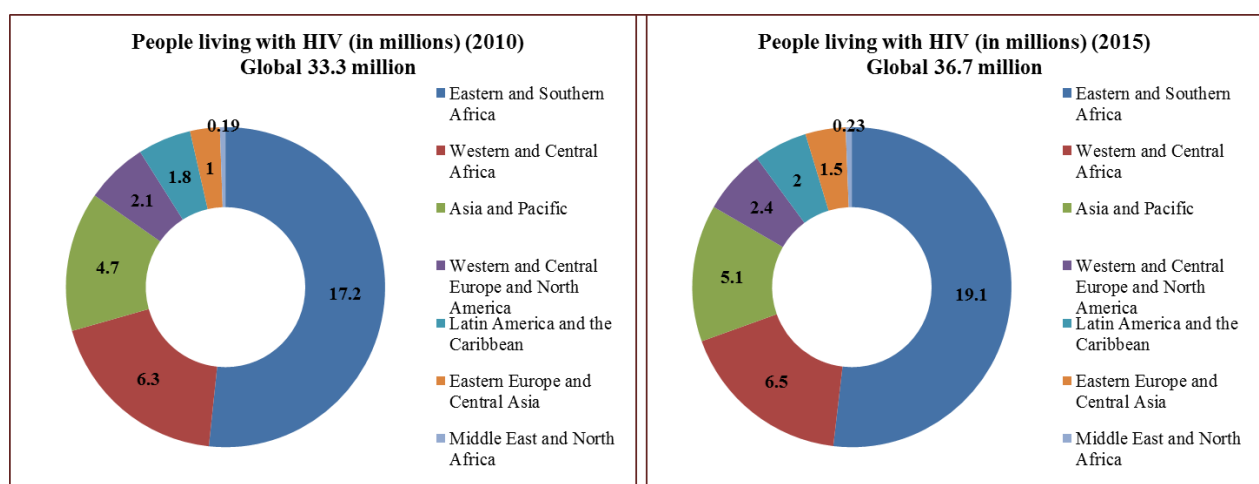
- **Well Qualified Skills and Resources:** India has the 2nd highest number of qualified doctors in the world. Of every six medical doctors in the US, one is an Indian. Around 700,000 science and Engineering graduates and 1,500 PhDs qualify annually. India has over 15,000 scientists across different fields of science and technology.
- **Global Recognition:** Indian generic manufacturers have reduced the cost of combination drug treatments for AIDS to as low as US\$120 a year per patient, which could otherwise cost thousands of dollars per year in the US or Europe. India also has the highest number of approvals from the US President's Emergency Plan for AIDS Relief (“PEPFAR”).
- **India as a Pharmacy to the World:** 70-90% of essential medicines for developing countries are supplied from India and 50% of medicines procured by UNICEF for developing countries are from India. Over 40% of generics prescribed in the US are procured from India.

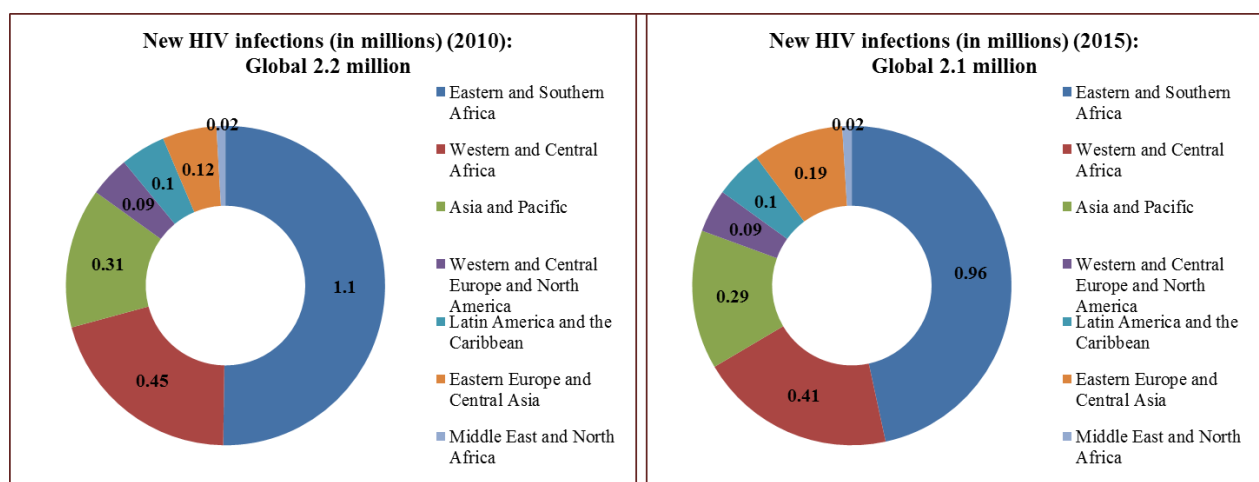
Anti-retro Viral (“ARV”) Market

Acquired immunodeficiency syndrome (“AIDS”) is a medical condition caused by the human immunodeficiency virus (“HIV”). HIV, which is a blood-borne infectious disease, remains a major global health and development threat. The HIV virus primarily infects the CD4 T-lymphocytes (“CD4 cells”) and destroys them, which results in the weakening of the immune system. The HIV infection results in the depletion of CD4 cells in the peripheral blood. Among untreated patients, the depletion continues over a course of several years until the patient succumbs to AIDS, which is the last stage of the HIV infection presenting itself anywhere between two and 15 years, post-infection.

HIV is transmitted by direct exposure to contaminated blood and other bodily fluids. Potential exposure routes include needle-stick injuries, needle sharing, blood transfusions, dialysis, tattoos and piercings, mother-to-foetus transmission and sexual contact. Since the start of the epidemic, 78 million people have become infected with HIV and 35 million people have died from AIDS-related illnesses. In 2015, approximately 36.7 million people were living with HIV, including 2.6 million children, who were infected via their HIV-positive mothers during pregnancy, childbirth or breastfeeding. The vast majority of this number lives in low and middle income countries (“LMICs”), particularly in Sub-Saharan Africa, with South Africa having the largest HIV positive population.

The following charts set forth the number of people (in millions) who were living with HIV worldwide, in 2010 and in 2015 and the new HIV infections (in millions) in 2010 and 2015.





(Source: ARV Report)

The following table sets forth the region-wise approximate number of people living with HIV and new HIV infections for the periods indicated:

Region	People Living with HIV (all ages)		New HIV Infections (all ages)	
	2010 (in million)	2015 (in million)	2010 (in million)	2015 (in million)
Asia and Pacific	4.7	5.1	0.31	0.29
Eastern and Southern Africa	17.2	19.1	1.1	0.96
Eastern Europe and Central Asia	1.0	1.5	0.12	0.19
Latin America and the Caribbean	1.8	2.0	0.10	0.10
Middle East and North Africa	0.19	0.23	0.02	0.02
Western and Central Africa	6.3	6.5	0.45	0.41
Western and Central Europe and North America	2.1	2.4	0.09	0.09
Global	33.3	36.7	2.2	2.1

(Source: ARV Report)

Key Products for Management of HIV

Currently there is no cure for the HIV infection. However, effective ARV drugs can control the virus and help prevent transmission so that people with HIV, and those at substantial risk, can enjoy healthy and productive lives. At the end of 2015, approximately 17 million people living with HIV were receiving antiretroviral therapy (“ART”) globally (46.3% of the patient population). It is estimated that by expanding ART to all people living with HIV and by increasing awareness and expanding prevention choices, 21 million AIDS-related deaths and 28 million new infections by 2030, can be averted.

Significant advances in ART have been made since the introduction of Zidovudine (“ZDV” or “AZT”) in 1987. With the advent of highly active antiretroviral therapy (“HAART”), the HIV-1 infection is now manageable as a chronic disease in patients who have access to medication and who achieve durable virologic suppression.

ART has recently been shown to be a safe and effective for pre-exposure prophylaxis (“PrEP”) for HIV-negative people. PrEP is a measure for reducing the risk of acquiring HIV infection in adults who are HIV negative but at high risk of getting infected.

HAART provides effective treatment options for treatment-naïve and treatment-experienced patients. A person is considered to be **treatment naïve** if they have never undergone treatment for HIV. Normally treatment-naïve patients have more options for antiretroviral therapy as they have not developed resistance to one or more drugs,

or classes of drugs. **Treatment experienced HIV patients** are people who have already taken one or more forms of HIV medication. These classes of patients have a restricted choice of therapies in case the prescribed line of therapy is not effective due to factors like drug resistance. In case of drug resistance development for 1st line therapy of HIV these patients have no other choice but to shift to 2nd line therapies. Fortunately in the case of HIV patients, majority of patients are on 1st line therapy thus implying lower drug resistance.

Classes of ARV agents

The six classes of ARV agents that currently exist are:

- Nucleoside reverse transcriptase inhibitors (“**NRTIs**”);
- Non-nucleoside reverse transcriptase inhibitors (“**NNRTIs**”);
- Protease inhibitors (“**PIs**”);
- Integrase inhibitors (“**INSTIs**”);
- Fusion inhibitors (“**FIs**”); and
- Chemokine receptor antagonists (“**CCR5 antagonists**”).

Each class targets a different step in the viral life cycle as the virus infects a CD4+ T lymphocyte or other target cell. The use of these agents in clinical practice is largely dictated by their ease or complexity of use, side-effect profile, efficacy based on clinical evidence, practice guidelines, and clinician preference.

(Source: ARV Report)

ARV Drug Classes

Reverse Transcriptase Inhibitors. Reverse transcriptase inhibitors are a group of drugs, which can bind and inhibit the reverse transcriptase enzyme to intercept the multiplication of HIV and thus reducing the amount of virus in the body. There are two types of inhibitors, NNRTIs and NRTI. Examples of NNRTIs include Efavirenz (“**EFV**”), Nevirapine (“**NVP**”), Delavirdine and Etravirine (“**ETV**”) and examples of NRTIs include Emtricitabine (“**FTC**”), Lamivudine, ZDV/AZT, Didanosine, Abacavir (“**ABC**”), Tenofovir (“**TDF**”) and Combivir. HIV enzyme reverse transcriptase converts single-stranded viral RNA into DNA. Drugs in the NNRTI class stop HIV from replicating within cells by binding near reverse transcriptase's active site and inhibiting polymerase activity. On the other hand NRTIs block an HIV enzyme called reverse transcriptase. By blocking reverse transcriptase, NRTIs prevent HIV from multiplying and can reduce the amount of HIV in the body. Within NRTIs, TDF Tenofovir Disoproxil Fumarate is also used to treat a certain type of liver infection called chronic hepatitis B infection. It helps to decrease the amount of hepatitis B virus in the body by interfering with virus growth.

PIs. Regulation of HIV protease is of high importance for the correct assembly and production of HIV. PIs effectively block the functioning of protease enzymes in acutely and chronically HIV-infected CD4 cells resulting in the liberation of immature and non-infectious viral particles. Examples of PIs include Lopinavir (“**LPV**”), Indinavir (“**IDV**”), Ritonavir (“**RTV**”), Nelfinavir and Amprenavir.

FIs. This class of drugs acts by blocking HIV from entering the CD4 cells of infected patients. They inhibit the fusion of HIV particles with the CD4 cells. Enfuvirtide is an example of a fusion inhibitor used in HIV treatment.

CCR5 Antagonists. This class of drugs prevent the infection by blocking the CCR5 antagonist receptor present on CD4 cells. Unavailability of CCR5 receptors to bind results in the failure of the virus to gain entry and infect the cell. Maraviroc is an example of a CCR5 antagonist used in HIV treatment.

Integrase Strand Transfer Inhibitors. Strand Transfer Inhibitors prevent the integration of viral DNA into the host genome of CD4 cells by an integrase enzyme. Blocking integrase prevents HIV from replicating. Examples of Strand Transfer Inhibitors include Raltegravir (“**RAL**”), Elvitegravir (“**EVG**”) and Dolutegravir (“**DTG**”).

(Source: ARV Report)

Policies and guidelines for LMICs

The recent changes in the WHO guidelines, released in September 2015, are expected to contribute to the increase of the overall ARV market size. The most significant impact will be created by the adoption of test and treat guidelines, enabling all 36.9 million people living with HIV/AIDS eligible for ART, regardless of their CD4 count, across all ages and thus expanding the market size.

1.1 First line ART Regimens for Adults

First line ART should consist of two NRTIs plus a NNRTI:

- EFV + TDF + 3TC (or FTC) as a fixed-dose combination is recommended as the preferred option to initiate ART.
- If TDF + 3TC (or FTC) + EFV is contraindicated or not available, one of the following options is recommended:
 - AZT + 3TC + EFV
 - AZT + 3TC + NVP
 - TDF + 3TC (or FTC) + NVP

First line ART regimens for pregnant and breastfeeding women

A once-daily fixed-dose combination of TDF + 3TC (or FTC) + EFV is recommended as first line ART in pregnant and breastfeeding women, including pregnant women in the first trimester of pregnancy and women of childbearing age. The recommendation applies both to lifelong treatment and to ART initiated for prevention of the mother-to-child transmission of HIV which is then stopped.

With the change in WHO guidelines to initiate the treatment earlier to all patients with HIV, and TDF/3TC (or FTC)/EFV being the preferred first-line treatment option, the market for this regimen will significantly grow. Laurus Labs Limited seems to be competitively positioned in the ARV market given that the products in its portfolio, Tenofovir, Emtricitabine and EFV, are recommended by the WHO as preferred first line regimens.

The following chart sets forth preferred and alternative first line ART regimens:

Preferred and Alternative First-line ART Regimens		
First-line ART	Preferred first-line regimen	Alternative first-line regimens
Adults	TDF + 3TC (or FTC) + EFV	AZT + 3TC + EFV (or NVP) TDF + 3TC (or FTC) + DTG TDF + 3TC (or FTC) + EFV400 TDF + 3TC (or FTC) + NVP
Pregnant/breast feeding women	TDF + 3TC (or FTC) + EFV	AZT + 3TC + EFV (or NVP) TDF + 3TC (or FTC) + NVP
Adolescents	TDF + 3TC (or FTC) + EFV	AZT + 3TC + EFV (or NVP) TDF (or ABC) + 3TC (or FTC) + DTG TDF (or ABC) + 3TC (or FTC) + EFV400 TDF (or ABC) + 3TC (or FTC) + NVP
Children 3 years to less than 10 years	ABC + 3TC + EFV	ABC + 3TC + NVP AZT + 3TC + EFV (or NVP) TDF + 3TC (or FTC) + EFV (or NVP)
Children less than 3 years	ABC (or AZT) + 3TC + LPV/r	ABC (or AZT) + 3TC + NVP

AZT	Zidovudine
LPV/r	Lopinavir/Ritonavir

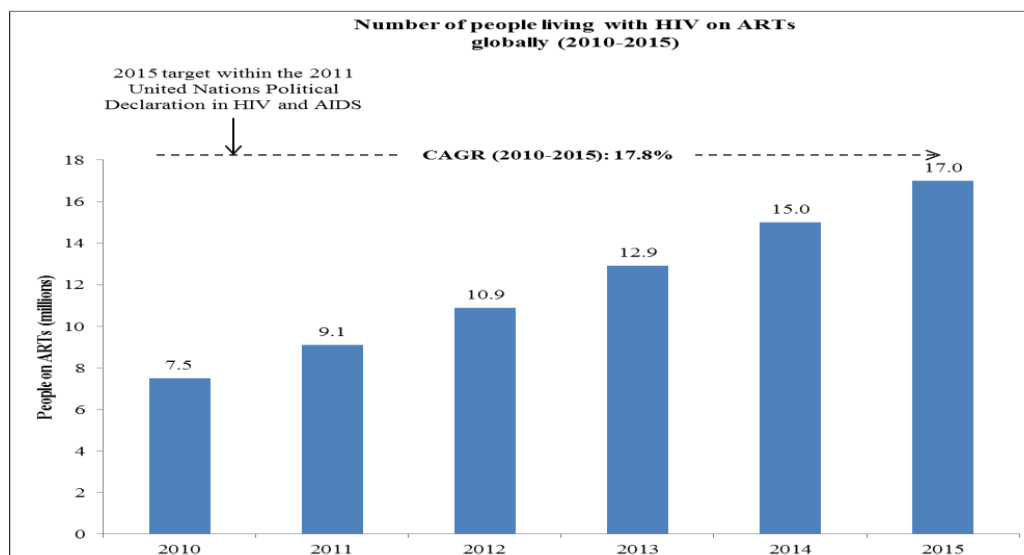
(Source: ARV Report)

Market Overview

The scale-up of ART is on a fast-track trajectory. According to the latest UNAIDS data, the number of people living with HIV receiving ART has increased by a third between 2013 and 2015, reaching approximately 17 million people (which is two million over the “15 million by 2015” target set by the United Nations General

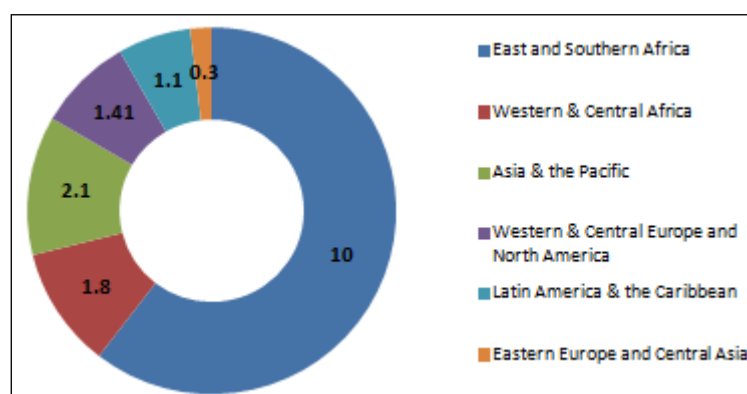
Assembly in 2011), with the global coverage of ARTs reaching approximately 46% by the end of 2015.

The following chart sets forth the number of people living with HIV on ARTs globally, for the periods indicated.



(Source: ARV Report)

The following chart sets forth the global population (in millions) receiving ARTs, by region, in 2015:



(Source: ARV Report)

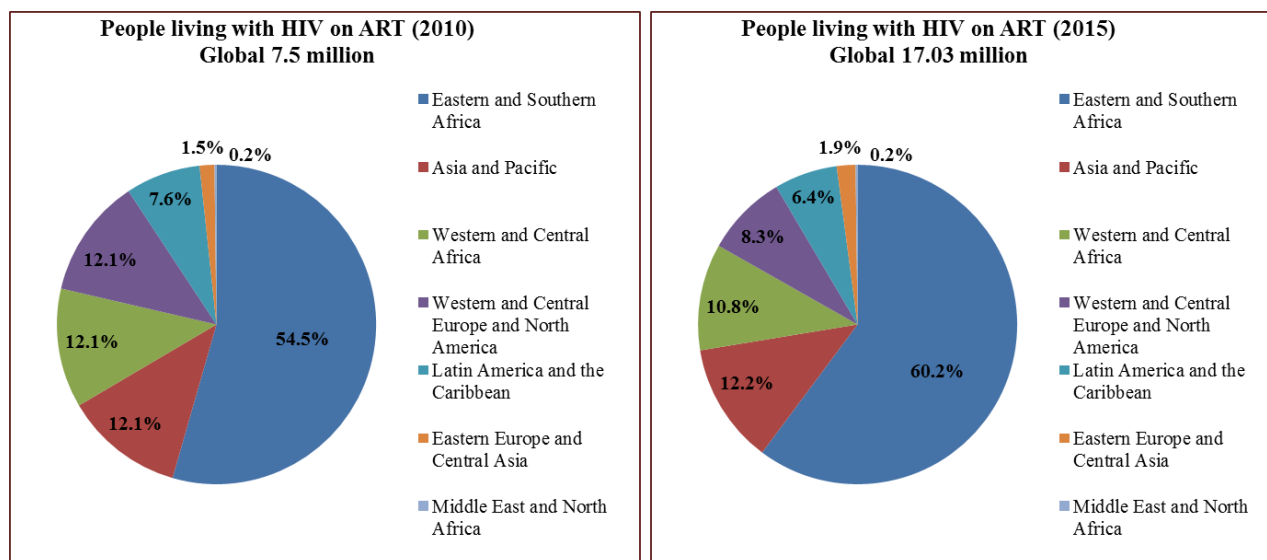
The following table sets forth the approximate number of people living with HIV on ART for the periods indicated:

Region	People Living with HIV on ARTs (all ages)	
	2010	2015
Asia and Pacific	907,600	2,071,900
Eastern and Southern Africa	4,087,500	10,252,400
Eastern Europe and Central Asia	112,100	321,800
Latin America and the Caribbean	568,400	1,091,900
Middle East and North Africa	13,600	38,200

Western and Central Africa	905,700	1,830,700
Western and Central Europe and North America	906,200	1,418,900
Global	7,501,100	17,025,900

(Source: ARV Report)

The following charts set forth the percentage breakdown of the approximate number of people living with HIV on ARTs in 2010 and in 2015 in different regions.



(Source: ARV Report)

The following table sets forth the approximate ART coverage for 2015:

Region	Eligible population for ART	People receiving ARTs (all ages)	ART Coverage
Asia and Pacific	5,100,000	2,071,900	41%
Eastern and Southern Africa	19,100,000	10,252,400	54%
Eastern Europe and Central Asia	1,500,000	321,800	21%
Latin America and the Caribbean	2,000,000	1,091,900	55%
Middle East and North Africa	230,000	38,200	17%
Western and Central Africa	6,500,000	1,830,700	28%
Western and Central Europe and North America	2,400,000	1,418,900	59%
Global	36,700,000	17,025,900	46%

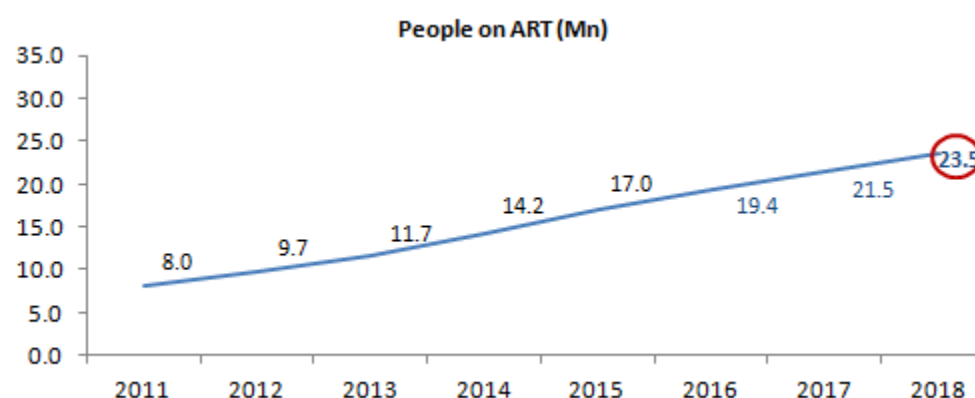
(Source: ARV Report)

The increase in treatment coverage was the greatest in the world's most affected region, Eastern and Southern Africa, with the treatment coverage increasing from 24% in 2010 to 54% in 2015, reaching a regional total of 10.3 million people. Although there has been an improvement in the treatment coverage rate across the globe, the increasing number of new infections detected year-on-year still poses a major challenge. According to the WHO, at the end of 2015, there were approximately 2.1 million new HIV infections worldwide, aggregating to 36.7 million people living with HIV. At the end of 2015, approximately 17 million patients were receiving ARTs of the total 36.7 million people living with HIV globally, representing approximately 46% of the total HIV population having access to treatment, leaving behind 54% of the eligible population without any treatment. Consequently, there is a huge scope for drug manufacturers to scale up production and cater to the huge patient pool.

The growth of the global antiviral market is expected to continue due to the recent changes in the WHO

guidelines, classifying the disease as being chronic, thereby making it mandatory for the patients to be on ART for the rest of their lives. On the basis of the latest WHO guidelines, the number of people eligible to receive ART now stands at approximately 36.7 million, which represents all of the people suffering from HIV across the globe.

The following chart sets forth observed trends and projected number of people on ART worldwide for the periods indicated:

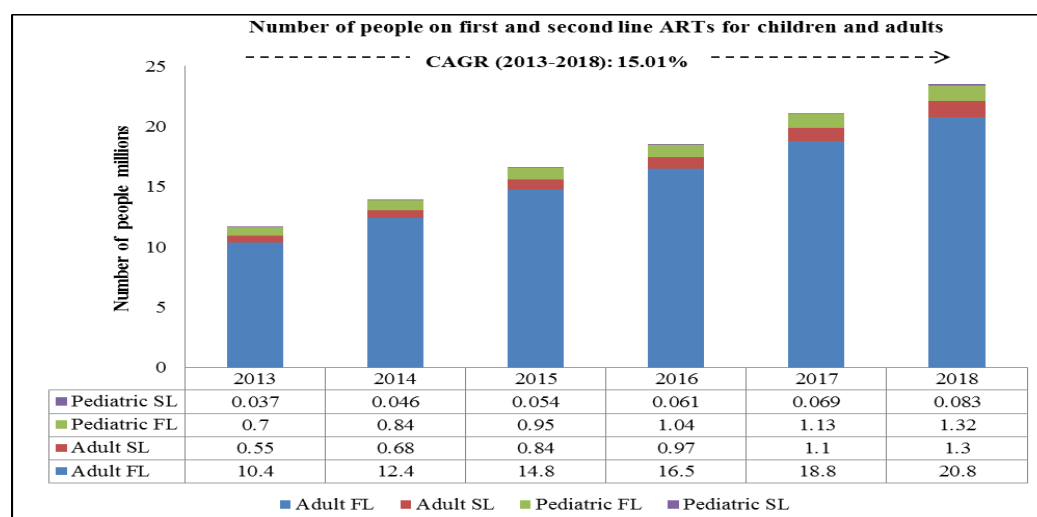


(Source: ARV Report)

Distribution of patients on ARTs worldwide by age and by line of therapy

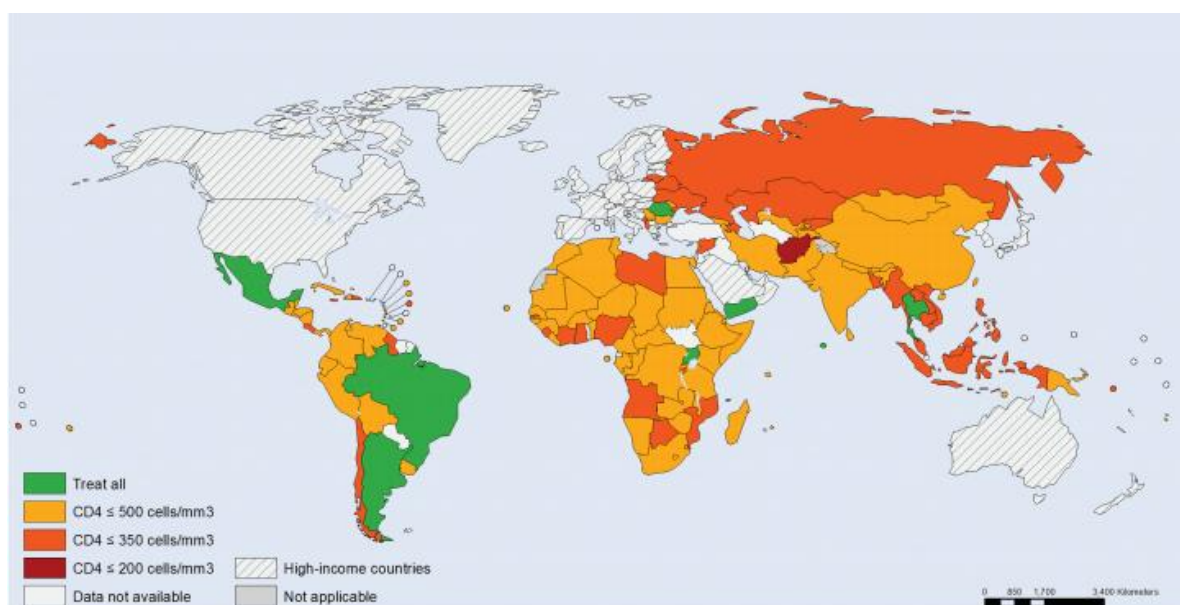
Of the 17 million patients accessing ARTs in 2015, the coverage of treatment was approximately 46% in adults, (up from 23% in 2010), approximately 49% in children (up from 21% in 2010) and approximately 77% in pregnant women. It has been estimated that by 2018, approximately 23.5 million patients (approximately 22 million adults and approximately 1.4 million children) will have access to ARTs. The continuing strong demand for ARTs could maintain the market attractiveness in the long run.

The following chart sets forth the first and second line ART for adults and children based on average number of people on ART for the periods indicated:



(Source: ARV Report)

The following map sets forth the uptake of the WHO policy on CD4 thresholds for initiating ART among adults and adolescents living with HIV in LMICs in 2014:

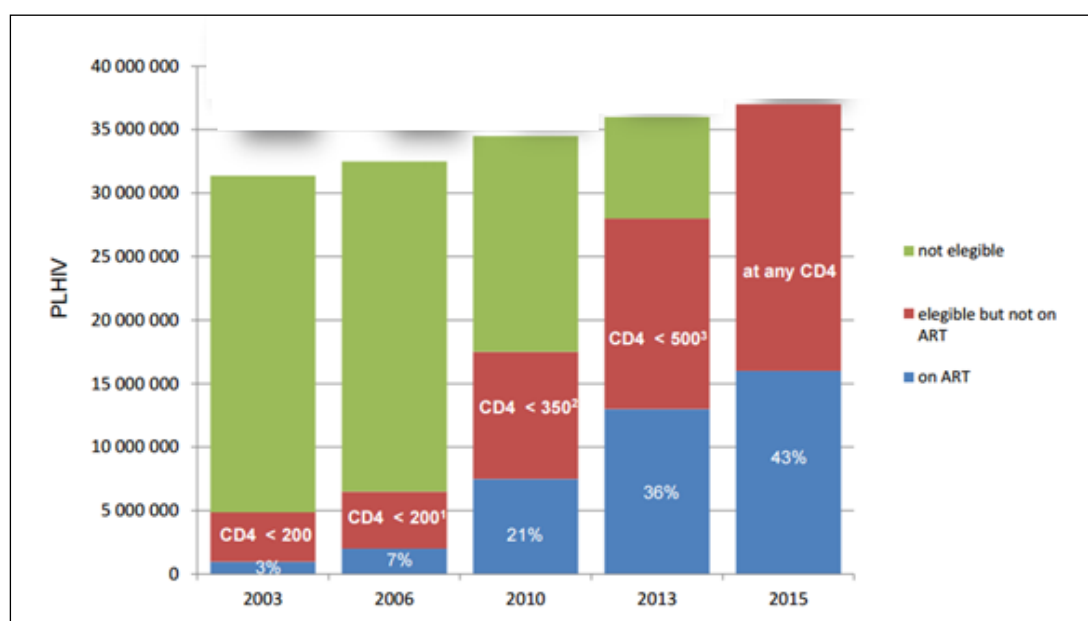


(Source: ARV Report)

Market Growth Drivers

Changes in WHO guidelines: The recent changes in the WHO guidelines, released in September 2015, are expected to contribute to an increase of the overall ART market size. The most significant impact will be created by the adoption of test and treat guidelines enabling all 36.7 million people living with HIV/AIDS eligible for ART, regardless of their CD4 count, across all ages, thus expanding the market size considerably.

The following chart sets forth the evolution of global ART coverage and eligibility criteria according to the WHO Guidelines set against people living with HIV (“**PLHIV**”) for the periods indicated:



1. At CD4 < 350: active TB disease and HIV+ pregnant women
2. At any CD4: active TB disease and HBV co-infection requiring HBV treatment
3. At any CD4: active TB disease, HBV co-infection with severe liver disease, HIV+ pregnant women and HIV

Serodiscordant couples

(Source: ARV Report)

Other Recommendations. The CD4+ cell count thresholds for HAART initiation was recently raised from 350 to 500 cells/mL in the United States and from 200 to 350 cells/mL in LMICs. These changes will result in a substantial increase in the number of patients who will require treatment and need early HIV treatment initiation.

UNAIDS Target. The UN programme on HIV/AIDS has set a new global target for 2020 known as the Fast-Track scenario aiming to end the HIV epidemic by 2030. The Fast Track scenario for 2020 includes:

- 90% of people living with HIV will know their HIV status;
- 90% of people diagnosed with HIV will receive ARV treatment; and
- 90% of people on treatment will have suppressed viral loads.

Currently, only 48% of the people estimated to be living with HIV are diagnosed, only 46% receive ARV treatment (2015) and only 32% are virally suppressed. Among the Pediatric group, about 49% of children living with HIV receiving ARV treatment.

One-Pill-Daily Combination Regimen. The goal to reduce the number of drugs to be consumed by a patient significantly helps in driving the sales of one pill drugs. The reduction in costs for patients and ease of consumption are also other major positive factors associated with these drugs. Tenofovir+Lamivudine/Emtricitabine+Efavirenz is the preferred combination used in the treatment of HIV patients in generic accessible markets.

(Source: ARV Report)

Market Restraints

Lack of Access to Testing and Treatment. A major obstacle in the global fight against HIV/AIDS is a lack of access to testing and treatment in low-income regions. According to the WHO, ART coverage in these regions is especially poor for pregnant women, children, partners in HIV sero-discordant couples (where only one partner is infected), and drug users. These populations are a key focus of the WHO's on-going operational planning. Efforts to increase access in low-income regions have been strengthened by a partnership between the US FDA and the President's Emergency Plan for AIDS Relief ("PEPFAR"), which has paved the way for generic versions of patent-protected drugs to be tentatively approved and made available outside the United States. Currently, 170 ARV formulation dossiers/ANDAs approved or tentatively approved.

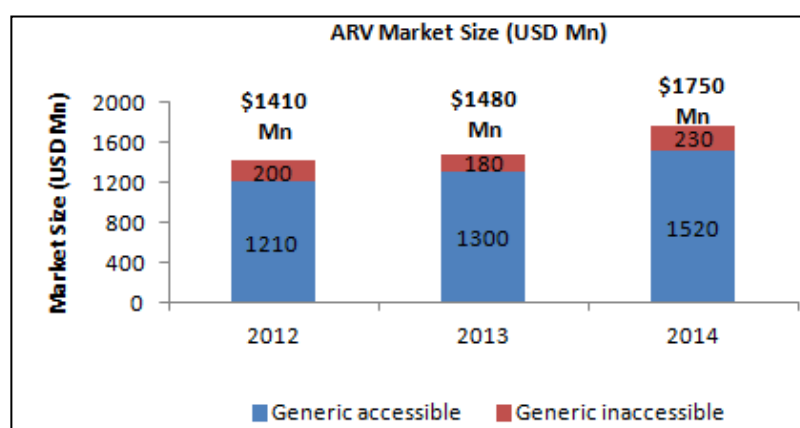
Poor adherence to treatment. Patients fail to commit to ART predominantly due to the lack of an established cure for HIV. A drop in treatment rate is also attributed to the occurrence of side effects on account of prolonged HIV therapy. Literacy is another major factor closely associated with the non-adherence with people of lower health literacy experiencing higher illness severity than people with better health literacy.

(Source: ARV Report)

ARV market size by value in generic-accessible and generic-inaccessible countries in LMICs

The generic-accessible ("GA") ARV market, which represents 94.0% of patients in LMICs, grew from US\$1.3 billion in 2013 to US\$1.52 billion in 2014, at a growth rate of 17.0%. In contrast, the generic-inaccessible ARV market, like Brazil and China grew from US\$180 million in 2013 to US\$230 million in 2014, at a growth rate of 28.0%.

The following chart sets forth the ARV market size in GA and generic-inaccessible countries:



(Source: ARV Report)

GA Market

Public Market

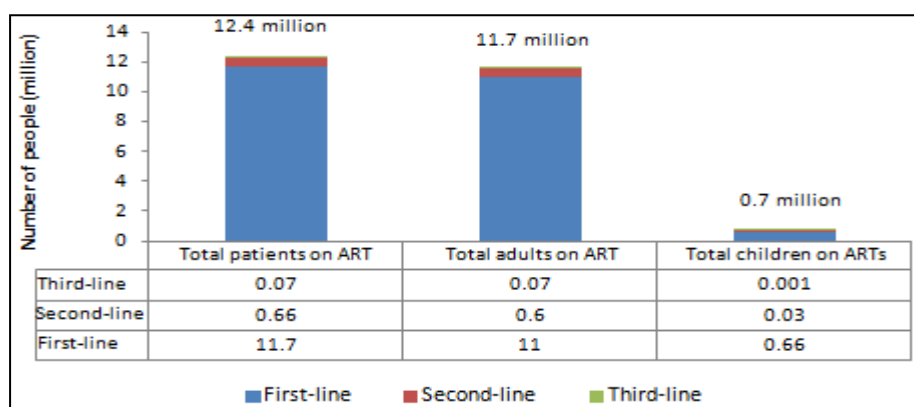
Treatment coverage for adults living with HIV/AIDS in LMICs increased from 36% at the end of 2013 to 41% at the end of 2014. There has been continued success in scaling up and access to HIV/AIDS treatment in LMICs over the past decade. The number of people on ARTs continues to grow annually. At the end of 2014, there were approximately 12 million adult patients on ART in GA-LMICs. The number of patients grew by 1.7 million patients between 2012 and 2013 and 1.6 million patients between 2013 and 2014. This growth in the number of patients, was driven by the adoption of treatment initiation at CD4 <500 cells/mm, use of option B+ for pregnant women with HIV, and other specifications specified by the WHO Guidelines. 15 of the 22 Global Plan priority countries¹ adopted Option B+² in August 2015, which has contributed to the rising patient population.

The GA-LMICs market is segmented into adults on first line therapy, adults on second line therapy and pediatric patients on two lines of therapy. By the end of 2014, approximately 12.4 million people were receiving ART in LMICs. Of these, approximately 94.6% (11.7 million) were adults and approximately 5.4% (0.7 million) were children. Among the adults accessing the treatment, approximately 94.1% of them were on first line therapy, while a very small proportion of patients were on second (approximately 5.3%) and third line (approximately 0.6%) of treatments. Among the pediatric population, approximately 94.5% of them were on first line treatment, while only around 5.3% and 0.2% of the patients were on second and third line of treatment, respectively. This market is expected to grow to about US\$2 billion by 2019.

The following chart sets forth the ART coverage in adults and children by line of therapy in LMICs for 2014:

¹ The Global Plan prioritized 22 countries where 90% of pregnant women living with HIV resided. The list of countries include 21 sub Saharan countries and India

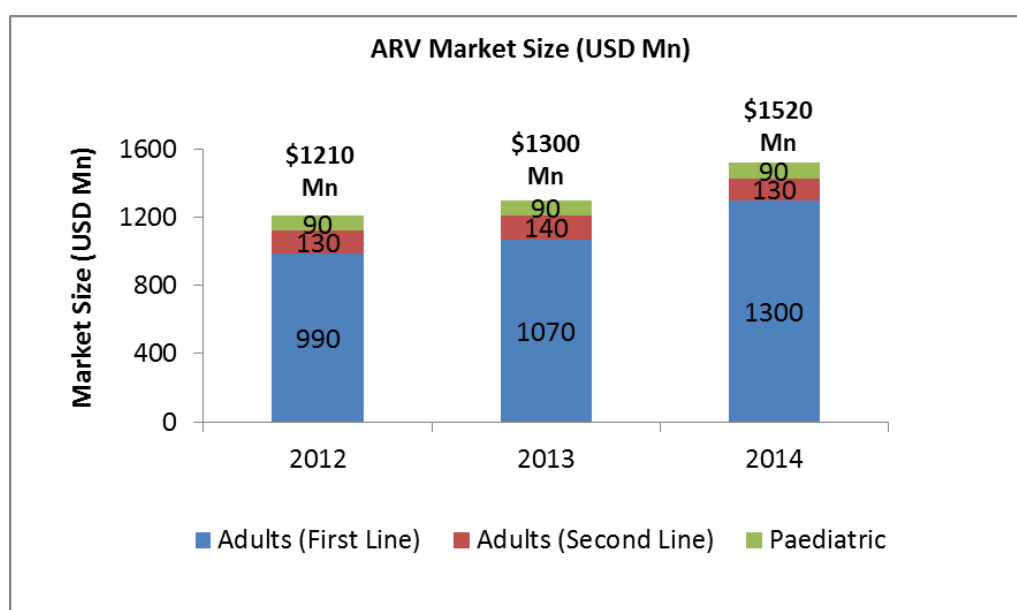
² Option B refers to triple antiretroviral medicines provided to all pregnant and lactating women living with HIV, beginning in the antenatal period and continuing throughout the duration of breastfeeding while Option B+ refers to life-long antiretroviral therapy given to all pregnant women living with HIV, regardless of their CD4 count.



(Source: ARV Report)

Consequently, adults on first line therapy accounted for approximately 86% of the total value of the GA market, valued at approximately US\$1.3 billion. The market value has grown by 21% from 2013, primarily due to an increase in the number of patients transitioning to more expensive regimens and lower ARV price decreases compared to previous years.

The following chart sets forth the ARV market size in GA countries by line of therapy for the periods indicated:



(Source: ARV Report)

Trends in the GA market by ART regimens and line of therapy

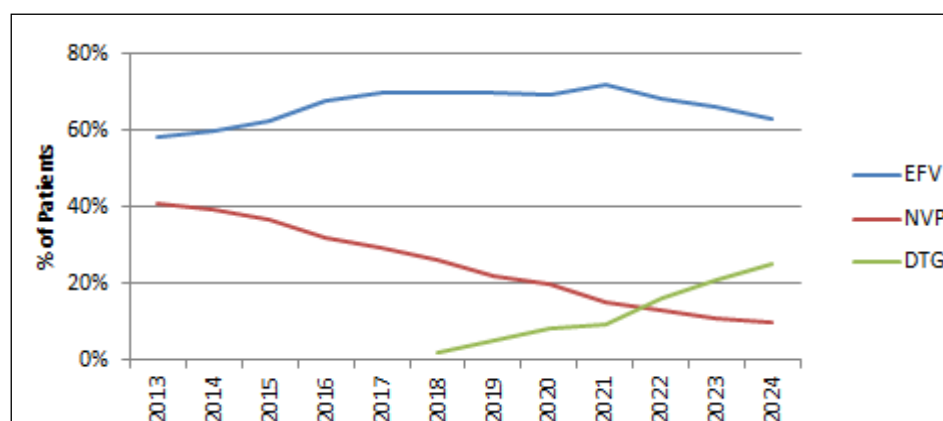
First-line Adults. Following the amendments to the WHO guidelines in 2013, NNRTIs continue to be the preferred first line regimen in adults and EFV has become the preferred choice among the NNRTIs. There has been a constant increase in its usage, and is expected to reach approximately 69% of all first line GA adult patients by 2018.

DTG and EFV at lower doses (400 mg/day) are included as new alternative options in first-line regimens. DTG is associated with fewer drug interactions, higher virological efficacy, lower treatment discontinuation rates and a higher genetic resistance barrier when compared to other ARVs. EFV 400 mg has comparable efficacy compared to EFV 600 mg, is associated with lower toxicity, and has the potential to reduce costs and pill size. These two options are not recommended as preferred options due to limited use outside of clinical trials and the unknown safety and efficacy of DTG and EFV 400mg/day for pregnant people and for people living with HIV.

and tuberculosis using Rifampicin.

First-line Backbone Therapy (Adults). The uptake of TDF is expected to increase to more than 70% till 2019, retaining its position as the main backbone in first line therapy for adults. There is a significant decline in the uptake of AZT and is estimated to reach less than 10% by 2024.

The following chart sets forth the percentage of patients on the relevant drugs for the periods indicated:



(Source: ARV Report)

It has been estimated that there will be a significant uptake of DTG with the number of people using the therapies to reach more than six million for DTG.

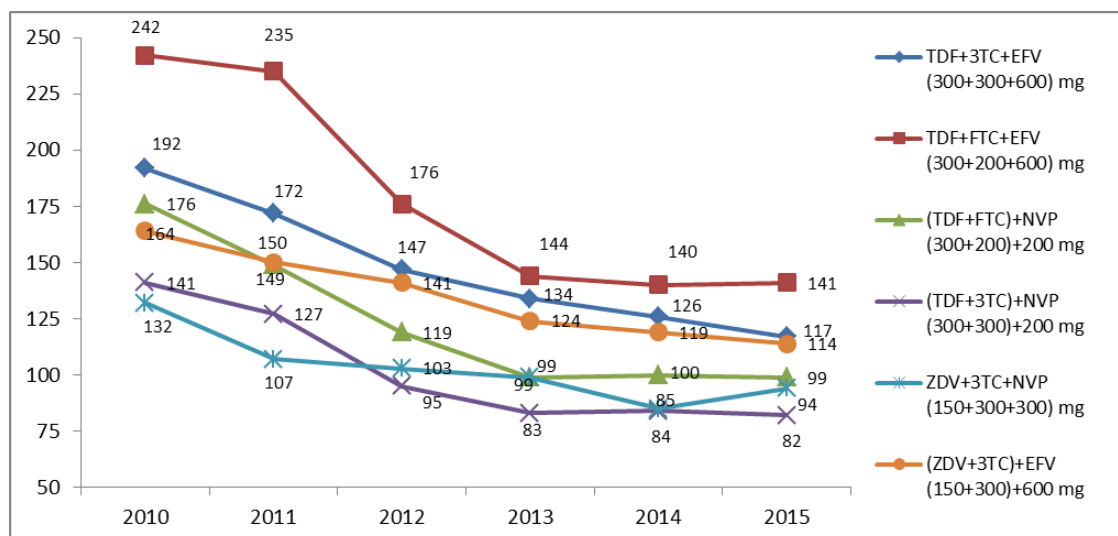
The new treatment guidelines recommend AZT and Lamivudine (“**3TC**”) as the preferred NRTI backbone for second line adult treatment, combined with one of two boosted protease inhibitors: LPV/r or ATV/r.

Trends in the pricing of ARVs

Since 2011, the median annual cost of first line ART has reduced marginally from US\$117 in 2011 to US\$115 per patient per year in 2013. The price of second line and third line ART has also decreased, but less so than first line treatment, with most LMICs gaining access to second line treatment for approximately US\$330 per patient per year in 2013. Although the price of third line treatment has decreased for low-income countries, they still pay more than US\$1,500 per patient per year for a combination of RAL, ETV and Darunavir (“**DRV**”).

The price trends show that first-line ARV regimens were more affordable in 2015 than in 2012. The price of second-line ART regimens have decreased from 2012 to 2015 but these regimens are three times more expensive than the first-line treatment options.

The following chart sets forth price trends of first-line treatment regimens in LMICs for the periods indicated (per patient per year):



(Source: ARV Report)

Although there has been a significant decline in prices since 2010, the rate of decline has slowed and is now expected to hover in a steady price range.

South African Tender Market

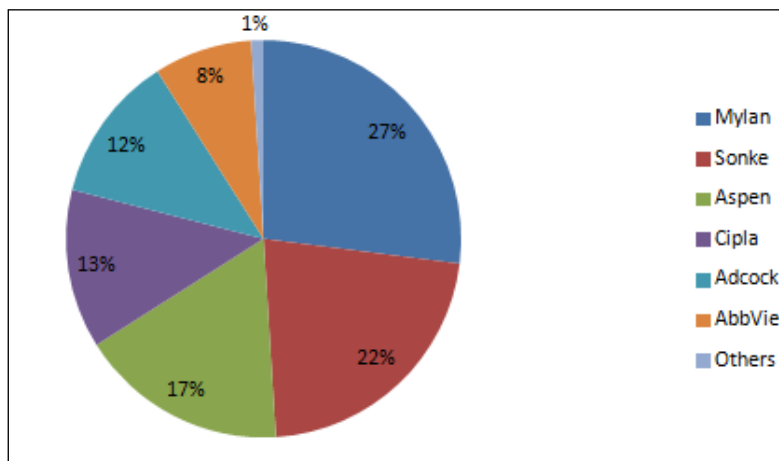
Overview

South Africa represents nearly a quarter of all patients on ART in GA LMICs and its tender awards could significantly benefit the generic manufacturers. In 2014, four pharmaceutical companies, Sonke (parent company being Sun Pharmaceuticals), Mylan Laboratories Limited, Aspen Pharma Limited and Cipla Limited, won the three-year tender worth more than ₹10 billion (US\$703.7 million) to supply ARVs to patients in South Africa for the period from second quarter of 2015 to the first quarter of 2018.

This tender was awarded as follows:

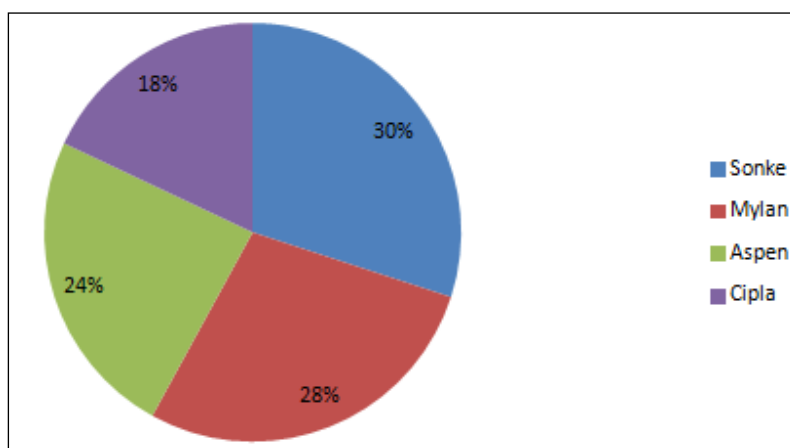
- Sonke Pharmaceuticals: US\$279 million
- Mylan Laboratories Limited: US\$261 million
- Aspen Pharma Limited: US\$233 million
- Cipla Medpro: US\$186 million

Further, the following chart sets forth the volume share by packs of the recent South African Tender (for second quarter of 2015 to the first quarter of 2018):



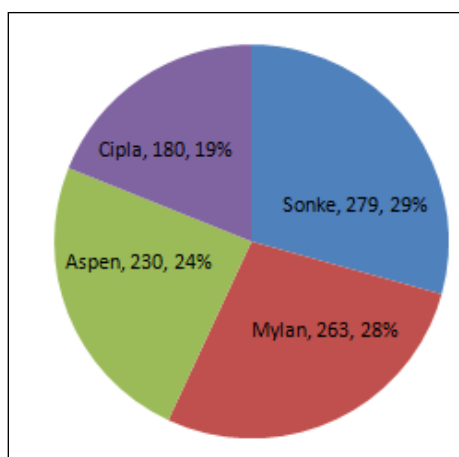
(Source: ARV Report)

The following chart sets forth the bidder split, by volume, for Tenofovir 300 Mg, Emtricitabine 200 Mg and EFV 600 Mg (28 tablets):



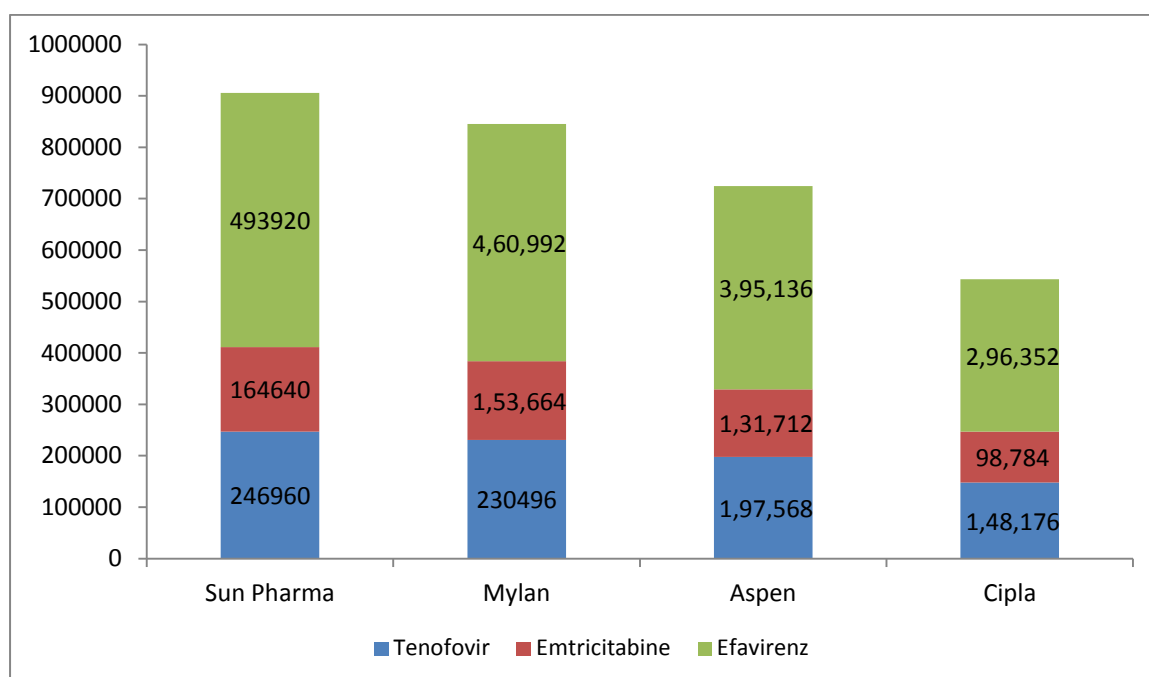
(Source: ARV Report)

The following chart sets forth the bidder split, by value, for Tenofovir 300 Mg, Emtricitabine 200 Mg and EFV 600 Mg (28 tablets):



(Source: ARV Report)

The following chart sets forth the API volumes in Kg (actual procurements) by key players in South Africa.



(Source: ARV Report)

Regulatory Requirements for Participating in the South African Tender

Strategy of WHO Prequalification

- Apply unified standards of acceptable quality, safety and efficacy;
- Comprehensively evaluate the quality, safety and efficacy of medicinal products, based on information submitted by the manufacturers, and inspection of the corresponding manufacturing and clinical sites;
- Prequalify sources of APIs by comprehensively evaluating the quality of the API based on information submitted by the manufacturers, and inspection of the corresponding manufacturing sites;
- Prequalify quality control laboratories of pharmaceuticals; and
- Build the capacity of staff from national regulatory authorities, quality control laboratories, and from manufacturers or other private companies, to ensure the quality of medicines.

The list of prequalified medicinal products used for HIV/AIDS produced by the WHO Medicines Pre-Qualification Programme is used principally by United Nations agencies including UNAIDS and UNICEF to guide their procurement decisions. However, the list has become a vital tool for any agency or organization involved in bulk purchasing of medicines, at both the country level, and at the international level, as demonstrated by the Global Fund to Fight AIDS.

Benefits for Manufacturers of Participating in WHO Medicines Pre-Qualification Programme

Participating in WHO medicines prequalification Programme helps manufacturers to deepen their expertise in developing product dossiers and preparing manufacturing sites for inspection. As a result, they are not only better able to prepare for future product evaluation, but also to resolve current technical problems relating to quality-assured manufacturing of a specific product. Participation leads to benefits such as:

- Increased sales and market access:
 - access to donor-sponsored tenders;
 - access to stringently-regulated markets, e.g. in Europe, USA; and
 - increased potential to compete successfully for contracts in local markets.

- Improved image and brand:
 - quality-assured product status;
 - improved external and internal image; and
 - improved positioning in home country.
- Reduced manufacturing costs:
 - improved capacity utilization; and
 - lower variable/commercial operating costs.
- Increased capacity and skills:
 - development of human resources for ensuring and managing quality manufacturing;
 - capacity to ensure quality manufacturing across a range of products; and
 - new or increased capacity to meet stringent regulatory requirements.

WHO Prequalification Process

The first step in the prequalification process for any manufacturer is to review the Expressions of Interest (“**EOIs**”) to ascertain whether it manufactures any of the products invited by WHO for evaluation. EOIs focus on products for treating HIV/AIDS, tuberculosis and malaria, as well as for reproductive health. For each application for product evaluation, a manufacturer must submit a covering letter, product/dossier, product sample and site master file to the WHO Prequalification Programme. Thereafter the Programme undertakes comprehensive evaluation of the quality, safety and efficacy of the product, based on the information submitted by the manufacturer, and inspection of the corresponding manufacturing site(s).

Products submitted for prequalification are often multisource generics. A “generic product” is a multisource pharmaceutical product which is intended to be interchangeable with the comparator product. It is usually manufactured without a license from the innovator company and marketed after the expiry of patent or other exclusivity rights. Multisource pharmaceutical products are intended to be pharmaceutically equivalent or pharmaceutical alternatives that are bioequivalent and hence are therapeutically equivalent and interchangeable.

In such cases, therapeutic equivalence with an innovators product is verified by performing a bioequivalence study. Such studies are generally carried out by an independent clinical research organization (“**CRO**”), which must therefore also be inspected and approved. The results, both positive and negative of dossier assessments and inspections are relayed to manufacturers and CROs, together with advice, if needed, concerning corrective actions that are required if prequalification is to be achieved. The WHO charges fees for applications to prequalify medicines, but with several important exemptions, including for first time applications.

Eligible Products

To be eligible for Expert Review Panel (“**ERP**”) review, products must be included on the relevant EOI (issued, for example, by the Global Fund) and manufactured at a site that has already been inspected and found compliant with stringent (WHO or SRA or PIC/s (Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme) GMP standards.

ERP (Expert Review Panel)

WHO has a list of prequalified medicine suppliers for procurement by UN and other agencies, however, there are still too few WHO-prequalified or stringently authorized finished products available on the market to ensure a sustainable supply of all medicines needed by treatment programmes. In order to increase the number of suppliers for the Global Fund’s procurement program, the WHO has set up a body also referred to as Expert Review Panel (ERP). This expert group assesses the quality risks of pharmaceutical products that do not yet meet stringent quality requirements. Based on standardized and transparent criteria it then advises whether each product would be acceptable for procurement, for the next 12 months.

SRA (Stringent Regulatory Authorities)

Stringent Drug Regulatory Authority (“SRA”) means a regulatory authority which is (a) a member of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (“ICH”), as specified on its website; or (b) an ICH Observer, being the European Free Trade Association (“EFTA”) as represented by SwissMedic, Health Canada and World Health Organization (WHO) (as may be updated from time to time); or (c) a regulatory authority associated with an ICH member through a legally binding mutual recognition agreement including Australia, Norway, Iceland and Liechtenstein (as may be updated from time to time).

Good-quality APIs are the building blocks of good-quality medicines. The WHO therefore prequalifies APIs used in the manufacture of medicines for treating HIV, malaria, influenza, neglected tropical diseases, diarrhoea and for reproductive health. An API can be submitted to WHO for evaluation even if no associated application for evaluation of a finished pharmaceutical product (“FPP”) has been submitted.

For FPP manufacturers, clear identification of APIs that have been evaluated and confirmed as being manufactured in compliance with WHO GMP standards, and for which quality regulatory documentation is maintained, saves them time and money in locating and registering their sources of API. Moreover, the time to prequalification for an FPP is likely to be shorter if it is manufactured with a prequalified API. This is because some evaluation will already have been performed, and the results found to be satisfactory.

Private Market

The private market is a low volume-high value market. India and South Africa have significant market share in the private market.

India

According to the National AIDS Control Organisation (“NACO”), the total number of people living with HIV in India was estimated to be approximately 2.11 million with approximately 86,000 new HIV infections reported in 2015. However, in 2014 the ART coverage was very poor with only around 0.8 million people living with HIV and receiving ART from the government sector and approximately 0.15 million to 0.2 million deriving ART from other sources such as the private sector and NGOs. This indicates that the current ART coverage is approximately 48% to 50%. With the new WHO guidelines in place, it is anticipated that the ART coverage will increase significantly in the next five to six years. The Indian private market for ART is estimated to be approximately US\$16.5 million.

South Africa

Of the three million people on ARV treatment in South Africa, approximately 0.12 million to 0.15 million people (primarily the middle and upper class) rely on the private sector for their ARV drugs. This phenomenon is attributed to a couple of factors, namely, social stigma, ability to pay, unwillingness to utilize government programs for drugs and convenience. This has resulted in a thriving private sector market for ARV drugs in South Africa. The average price for HIV drugs in the South African market ranges between US\$33 to 35 per person per month for first line therapies, and approximately US\$400 to 420 per person per year. When accounted for a population size of 0.12 million to 0.15 million people taking drugs from the private sector, this equated to annual revenue of approximately US\$50 to 60 million. The private sector is expected to maintain its revenues on similar lines in the near future, with a modest growth due to the factors stated above.

Global funding framework for HIV prevention and treatment

In 2011, the international community was called on to mobilize approximately US\$25 billion to tackle the menace of HIV in LMICs by 2015. In 2014 an estimated US\$19 billion was made available by the international community for this purpose. UNAIDS new and ambitious fast-track approach commits to ending the global HIV epidemic as a public health threat by 2030. In order to achieve this, an estimated US\$26.2 billion will be required for the fast-track initiative in 2020 and will steadily decrease to approximately US\$22.3 billion by 2030.

Sources of HIV and AIDS funding

In 2014, domestic sources accounted for the majority of global HIV funding within each country. An encouraging sign which emanates out from the analysis of funding patterns is the ability of the LMIC's to generate funds for the treatment and prevention of HIV. This will go a long way in ensuring the sustainability of the program and will also safeguard it from external shocks namely the global community falling short of meeting the funding expectations. Sub Saharan countries such as Kenya, South Africa, Togo and Zambia have dramatically increased their domestic HIV spending in recent years. South Africa mostly funds its own response and spends over \$1 billion annually on its HIV and AIDS programmes.

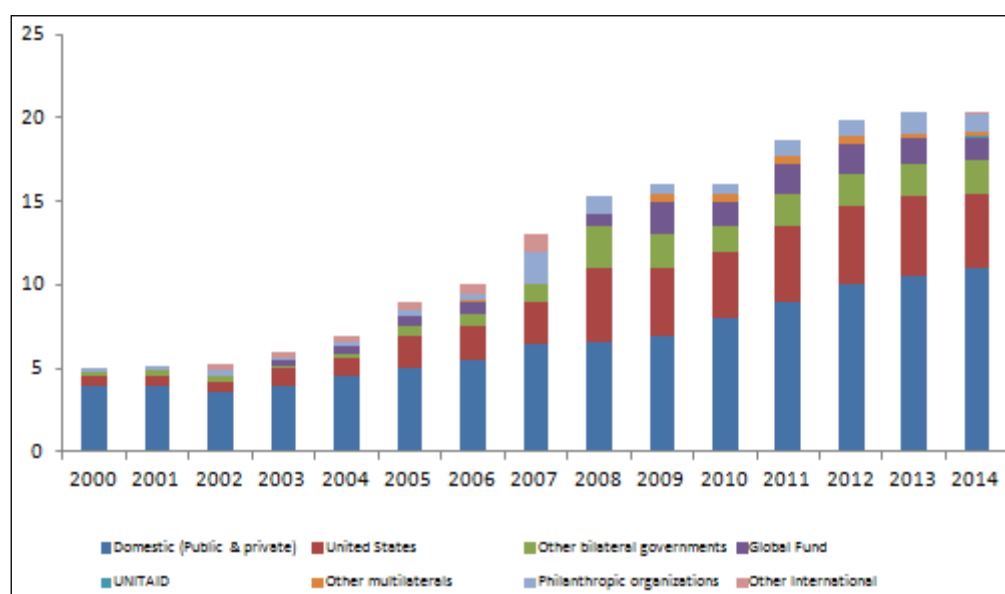
Major sources of external funds

Bilateral funds: These funds are disbursed by donor governments directly to a recipient country, such as the PEPFAR and the Department for International Development (“DFID”), UK.

Multilateral funds: These funds are routed through a centralized organization such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (“GFATM”). These bodies collect funds through multiple sources and disburse it as per the needs of the country and include the GFATM, the World Bank, the private sector and the Bill and Melinda Gates Foundation.

Historical Global Funding

The following chart sets forth the global resources available for HIV/AIDS in LMICs for the periods indicated (in US\$ billion):



(Source: ARV Report)

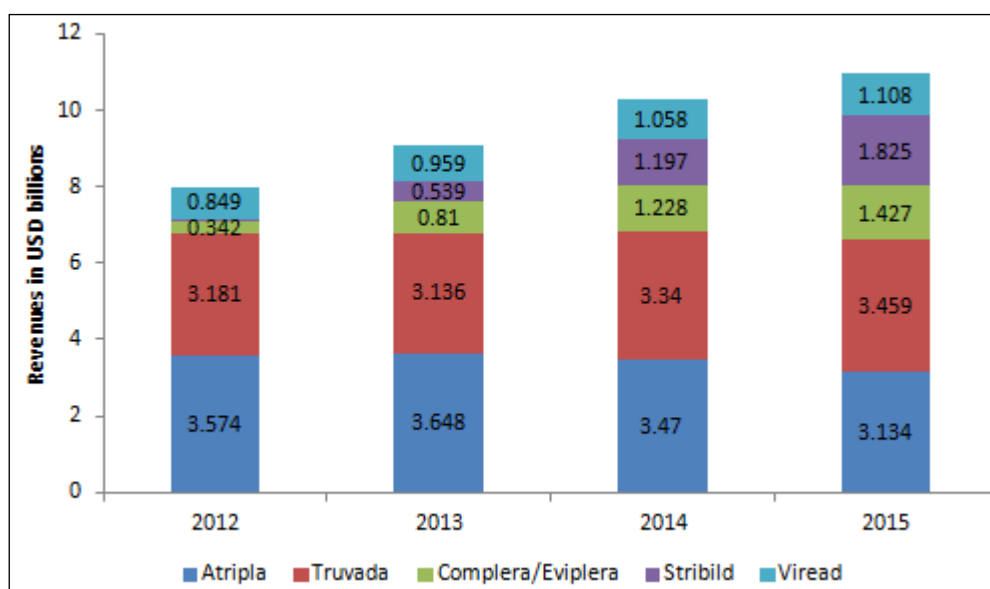
The global funding total in 2015 is estimated to be at US\$21.7 billion. This suggests that, with the right allocation across countries and priority areas, global treatment costs at 90-90-90 could be covered using existing resources, while still leaving a significant amount of funding for prevention, program management, and other critical components of the AIDS response. Going forward, it can be safely assumed that countries will rely more on domestic funding than looking upon external sources to counter the menace of HIV. This will ensure the long term survival and sustainability of the program and will also be in line with the WHO policy framework of ending the HIV menace by 2030.

Regulated Market (USA, EU)

Although the ARV market generated approximately US\$12.2 billion in 2012, sales are expected to decline to

US\$11 billion globally by 2022, on account of patent expirations. Further, in spite of a high number of drugs being approved for HIV, there is still a need for safe and efficacious treatment options with simple regimens and dosing frequency.

The following chart sets forth the top five branded innovator's HIV combination drugs sales globally for the periods indicated:

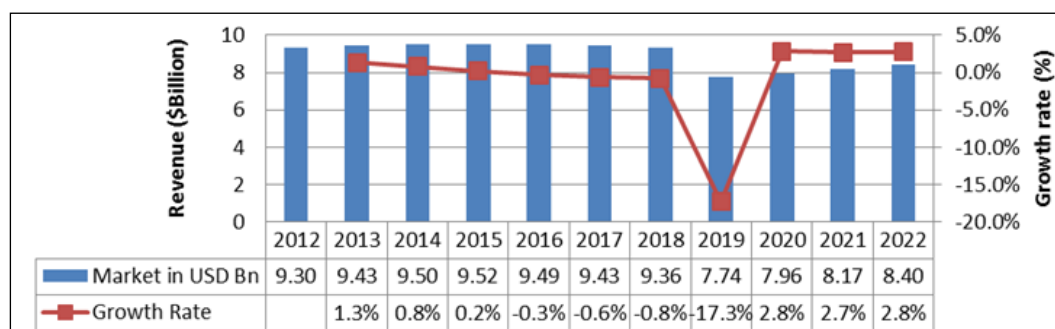


(Source: ARV Report)

United States

The ARV market in the United States generated sales of approximately US\$9.3 billion in 2012. However, it is estimated that this number will decline to approximately US\$8.6 billion by 2022 on account of expiring patents and decreased infection rates through more efficacious prevention regimens.

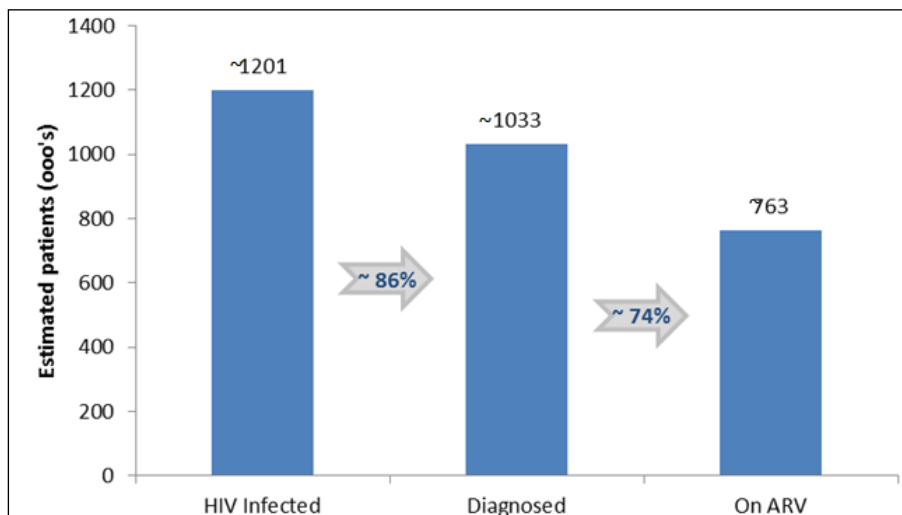
The following chart sets forth the forecasted market size and growth rate of HIV drugs in the United States for the periods indicated:



(Source: ARV Report)

Significant decline in the growth for 2019 could be attributed to expected patent expiries of some of the key ARV products like Atripla (TDF/FTC/EFV), Truvada (TDF/FTC), Sustiva (EFV) and Viread (TDF).

The following chart sets forth the United States HIV market dynamics:

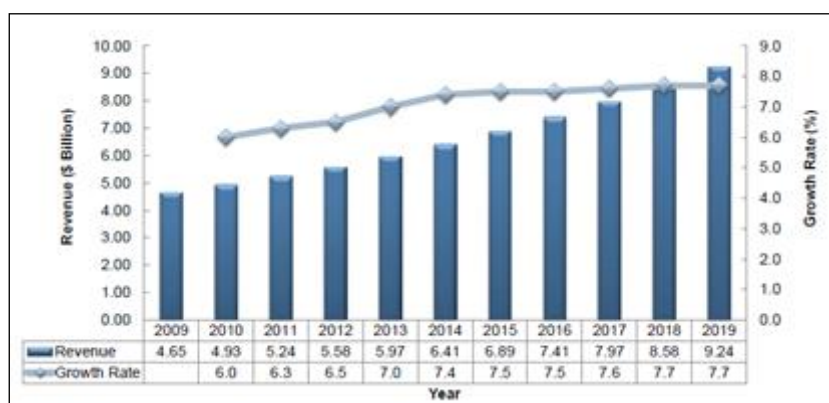


(Source: ARV Report)

Europe

Overview of ARV Market

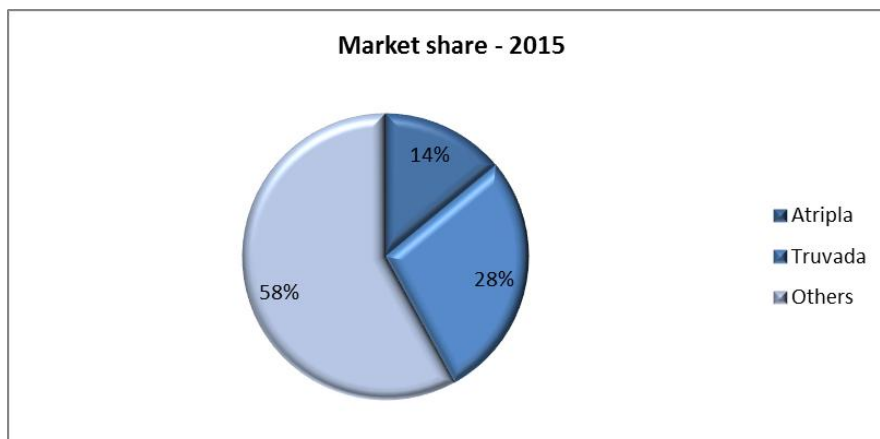
The following chart sets forth the revenue forecast for the total HIV drugs market in Europe for the periods indicated:



(Source: ARV Report)

The European HIV drug market is estimated to generate approximately US\$9.24 billion in 2019. Atripla and Truvada continue to be successful products in the European market, accounting for 14% and 28%, respectively, of the total patient share.

The following chart sets forth the market share for HIV drugs by value in Europe in 2015:



(Source: ARV Report)

Competitive Scenario

The top five market participants account for 81.9% of the total market revenue. Gilead Sciences leads the HIV market with leading drugs like Atripla, Complera, Emtriva, Truvada, Stribild and Viread, along with strong pipeline candidates. Glaxosmithkline closely follows the market leader by competing with Atripla through its latest market addition Triumeq.

Gilead Sciences is the major market player followed by Glaxosmithkline and Pfizer with their joint venture with Viiv Health Care. The other major market participants are Roche and Bristol Myers Squibb.

Atripla is the most prescribed HIV regimen in the country and is prescribed to approximately 22% of all patients treated. Stribild is the second most prescribed HIV regimen across all patients in the United States and has managed to capture 28% of the treatment-naïve patient share. It is followed by Complera, which is the third most prescribed HIV regimen across all patients and accounts for 20% of the treatment-naïve population. However, compared to Stribild and Complera, Atripla, only has 14% of the treatment-naïve patient share, suggesting it might be losing market share. Truvada is used by approximately 29% of all treated HIV patients in the United States, including 14% of the treatment-naïve patient share. Truvada is the first drug approved by the US FDA that can be used to prevent HIV in high-risk individuals. Analysts project that Truvada's preventive indication is capable of reaching peak sales of approximately US\$150 million.

With the generic version of Atripla expected to launch in 2018, a new window of opportunity is set to open up for Indian generic manufacturers who cater to the global market with low cost drugs.

Active Pharmaceutical Ingredients (“APIs”)

The world requires a reliable supply of ever greater volumes of HIV products in order to achieve the results required for meeting global targets. The world is pursuing the UNAIDS 90–90–90 treatment target by 2020, 90% of all people living with HIV will know their HIV status, 90% of all people diagnosed with HIV infection will receive sustained ART, and 90% of all people receiving ARV therapy will have viral suppression.

Production Requirements for APIs

Given the continuing increase in the number of people on ART, the production of all APIs for ARVs, also for those ARVs with decreasing market share, will need to increase. The only exception to this general trend is d4T. For those with increasing market share the volumes will need to be more than double over the next 3-4 years. The production of PIs might increase faster than projected if access to viral load testing is faster than projected.

Forecasted API demand

The forecasts show continuing growth in person years and in medicine demand. In order to cater to the rising API demand and considering the advance lag of approximately 12 to 18 months from API production until the

drug reaches the patient, the API manufacturers need to be ready with APIs sufficient enough to cater to the demand arising at the end of 18 months. Similarly, pharmaceutical companies supplying formulations also need to have sufficient stock in order to maintain a consistent supply of drugs during the transition phase of the tenders.

The following table sets forth API demand forecasts versus current production capacity (both, for GA markets and generics):

API	Total Production Capacities Available		Demand for 2015 (MT)	Demand for 2018 (MT)	Demand CAGR FY 2015 – 2018
	2015 (MT)				
ABC	362		53	103	24.8%
Atazanavir	110		23	42	22.2%
DRV	44		-	-	-
EFV	2,836		1,787	2,908	17.6%
FTC	760		183	384	28.0%
Lamivudine	2,500		1,227	1,571	8.6%
LPV	183		146	216	14.0%
NVP	1,018		731	817	3.8%
RTV	128		46	77	18.8%
Tenofovir	2,076		997	1,711	19.8%
ZDV/AZT	1,743		1,085	1,385	8.5%

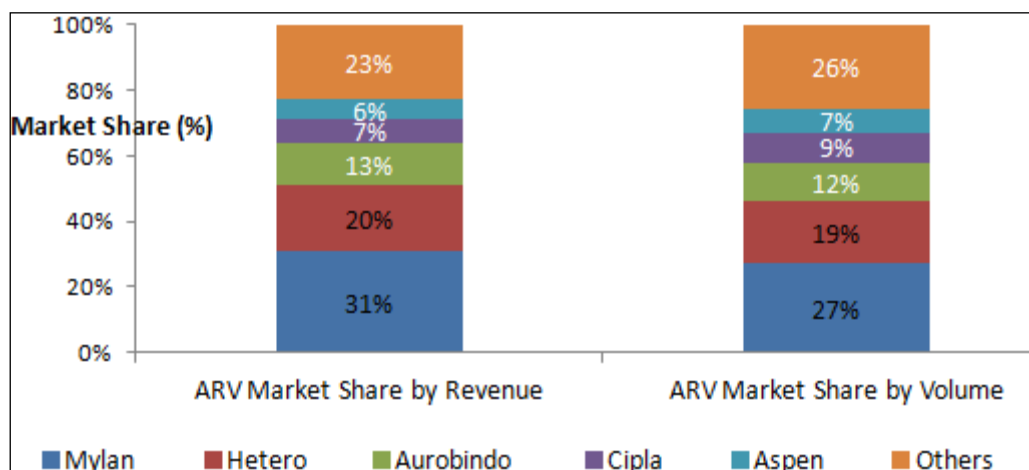
(Source: ARV Report)

The WHO has projected sufficient API capacity through 2018 for all formulations except EFV, which is estimated to be under capacity by 2.5%, and LPV, which is estimated to be under capacity by 18%. Thus, incremental capital expenditure requirements of the industry will be low, leading to greater profits, given the robust demand for APIs.

ARV Formulation Market Share by Key Players

Approximately 93% of the GA LMIC ARV market is captured by the generic formulation players and innovators have a small share of approximately 7%. The generic market participants (Mylan Laboratories Limited, Hetero Drugs Limited, Aurobindo Pharma Limited and Cipla Limited) controlled approximately 70% of the market share both in terms of revenue and volume in 2014 and other generic Indian formulation manufacturers accounted for approximately 6% of the market share by volume and revenue. A smaller share of 17% is captured by the non-Indian generic manufacturers and distributors of which approximately 40-41% by volume was captured by Aspen Pharma Limited.

The following chart sets forth ARV market share in GA LMICs by the manufacturers indicated:



(Source: ARV Report)

Conclusion

The global ART market is on a fast track trajectory. The accelerated growth of the market is primarily driven by the recent changes in the WHO guidelines which has amplified the eligible patient population to increase to approximately 37 million patients covering all the HIV patients across the globe. The market is expected to sustain the high growth, driven by the nature of the disease being chronic, thereby making it mandatory for the patients to be on the therapy for the rest of their lives. Increasing access to advanced diagnostic techniques like HIV detection and viral load count monitoring through Polymerase Chain Reaction (“PCR”) is expected to give a further boost to the market as this will help in early detection and also enhance the confidence of clinicians during the treatment.

The primary burden of HIV is observed in GA-accessible LMICs and going forward the situation is expected to remain unchanged. Such countries, mainly the countries of the African continent, will continue to drive the volume growth of the ARV therapy market and this volume growth will be on a sustainable basis due to the recent changes in WHO guidelines, which makes all HIV infected individuals eligible for HIV therapy.

In parallel the developed world, namely the America’s and Europe, also have a significant burden of the HIV patients (2.4 million patients as per the last reported figure by WHO), with approximately 100,000 new patients per year. The regulated market continues to be the value growth driver for ARV therapies and accounts for around 75% to 80% of the global ARV therapies by value. Generic manufacturers can access this market with products like AZT and NVP. However, post 2018, the market is expected to offer a big opportunity for generic manufacturers in these markets on account of patent expiry of currently used therapies. Manufacturers who are currently selling their products in LMICs are expected to get a significant upside due to this phenomenon.

Following the opening up of the market in the regulated market for generic manufactures, formulators and API manufactures situated in India, due to their low cost and high quality advantage are expected to be the biggest beneficiaries. The benefits are expected to be twofold:

- Access to newer markets like Europe and USA; and
- relatively higher prices of formulations in the regulated market, giving a boost to profitability.

In order to achieve the global 90-90-90 target set by the WHO by 2020, a continuous supply of greater volumes of ARV drugs is needed. This demand is expected to maintain the market attractiveness in the long run, thereby resulting in a significant upside for the API manufacturers. API production has been the forte of Indian companies. With the Indian API manufacturers maintaining the utmost quality of APIs, they have established a strong foot hold and are well geared to scale up their productivity in order to cater to the growing demand of the market.

NNRTIs continue to be the preferred first line regimen in adults and EFV is the preferred choice. This scenario is not expected to change drastically anytime soon. Laurus Labs Limited seems to be competitively positioned in the ARV market since the products in its portfolio, Tenofovir, EFV and FTC, are recommended by the WHO as the preferred first-line regimens. It is also uniquely positioned as it has a cost advantage over other API manufacturers. GSKline and Pfizer, through ViiV Healthcare, introduced the drug access program by entering into a sub-licensing agreement with Laurus Labs to provide low cost DTG in the LMICs. Currently Gilead Sciences has entered into sub-licensing agreements with Laurus Labs to manufacture low cost TAF, TDF, FTC, COBI, EVG, and the Quad (a combination of TDF, FTC, COBI, and EVG).

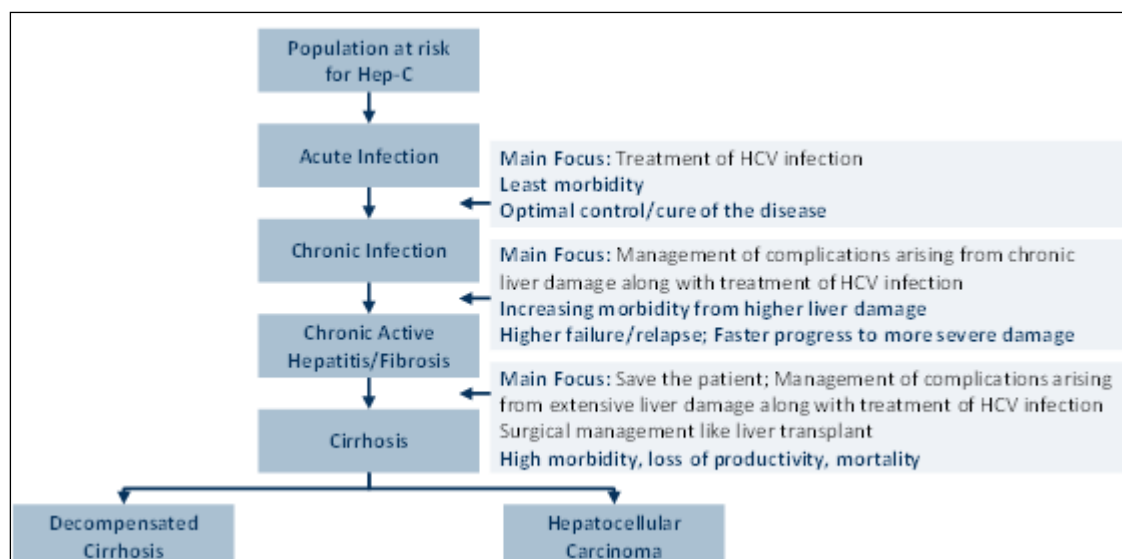
The position of Laurus Labs as a preferred supplier of APIs to several major pharmaceutical company participants of the tender driven ARV market insulates it from the wins and losses of its customers and significantly hedges it against revenue volatility. In the ARV therapeutic area, Laurus supplies APIs to all major global producers of FDFs, including those having their own API manufacturing capabilities. Further, Laurus' supply APIs to four of the top five winners of the South Africa tender. Many of the APIs in Laurus' current ARV portfolio for donor funded markets will bring significant near term opportunities for the US and European markets after the relevant patents expire in these markets.

Hepatitis C

Overview

Hepatitis C is considered a “silent disease”, caused by the Hepatitis C Virus (“HCV”) resulting in inflammation of the liver. It is recognised as a major public health problem worldwide, responsible for chronic liver disease and a variety of extra-hepatic manifestations. The disease spreads through contact with infected blood and bodily fluids.

The following chart sets forth the infection pattern of the HCV:



(Source: Hepatitis C Report)

Acute Hepatitis C Infection

Acute Hepatitis C is a short-term viral infection that occurs within the first six months of exposure to the HCV. The disease may improve or resolve without treatment and can be controlled by adapting better food habits, avoiding alcohol and adopting positive lifestyle changes. However, if neglected for a prolonged period, it can lead to cirrhosis of the liver. Acute infection converts to chronic infection in 75% to 85% of cases.

Chronic Hepatitis C Infection

The chronic form may cause long-term serious liver problems, including liver cirrhosis and liver cancer. Of the 75 to 85% of patients who develop chronic infection, up to 70% of them suffer from severe liver damage and 20% develop liver cirrhosis. It is estimated that approximately 35% of infected patients show symptoms, while the remaining patients may not show any symptoms.

Epidemiology

The WHO estimates there are two to four million new cases of Hepatitis C every year and approximately 170 to 185 million people (approximately three percent of the world's population) chronically infected with the HCV. Globally, HCV is implicated in 28% of cases of liver cirrhosis and 26% of cases of hepatocellular carcinoma, which accounts for nearly 500,000 deaths per year. The prevalence of HCV is enormous in LMICs from South Asia, including India, East Asia, North Africa, the Middle East, and Southeast Asia, which account for over 80% of the global HCV burden. Despite a low to moderate (1.0% to 1.5%) prevalence of HCV, India accounts for a significant share of global HCV infections due to its large population. It is estimated that approximately 12 to 18 million people are infected with HCV within India.

Overall, genotype 3 is the predominant genotype (63.85%) followed by genotype 1 (25.72%) of HCV in India. There exists a genotypic difference within different geographical regions of India, with genotype 3 being most common in Northern, Eastern and Western India, while genotype 1 is most common in the Southern states of India. Genotype 6 is found to be prevalent exclusively in patients from the North-Eastern part of India. Genotype 2 has rarely been reported within India.

Hepatitis C scenario in Egypt, Pakistan, Vietnam and Myanmar

Egypt

Egypt has the highest prevalence of hepatitis C virus (“HCV”) in the world, estimated nationally at 14.7%. Overall, HCV prevalence among pregnant women ranged between 5-15%, among blood donors between 5-25%, and among other general population groups between 0-40 %.

Attributed to the huge prevalence of HCV, the virus is still spreading, with some 165,000 new infections each year. As per the World Health Organization, HCV kills an estimated 40,000 Egyptians a year and at least 10% of the population between the age group of 15 to 59 is infected.

Egypt reached agreement on 15 July, 2014 to access new oral hepatitis C treatments, or directly acting anti-viral drugs (“DAA”) that promise higher cure rates at significantly reduced cost. Egypt has one of the largest government-funded treatment programmes for the disease.

The pharmaceutical company Gilead which is the inventor of the first most effective DAA, which was Sofosbuvir, has granted exclusive licence to 11 Indian and two Egyptian companies to make Sofosbuvir under license and to sell it at any price they like, in return for a 7% royalty.

Egypt provides an opportunity to treat around close to 4 million patients in the next 10-12 years, thus providing a big and sustainable revenue opportunity for companies like Laurus Labs which have a license to manufacture API's for Sofosbuvir, Dalactasvir, Ledipasvir and Velpatasvir and also have the right to supply it to countries like Egypt. The opportunity is twofold, firstly acting as suppliers of API's and secondly working with formulation players as Natco and providing the finished dose formulation to Egypt through a partnership with companies like Natco.

(Source: Hepatitis C Report)

Pakistan

Pakistan, similar to other South East Asian countries, exhibits a high prevalence of hepatitis-c. Estimates indicate that around 10 million people are infected with HCV in Pakistan. Pakistan has a relatively higher prevalence of HCV, when compared to its immediate neighbour i.e. India. The high prevalence has resulted in almost half the hepatitis C patient pool in Pakistan, instead of India, despite the population being only 1/6th of India's.

Gilead through licensing arrangements has provided access to DAAs in Pakistan at a cost structure similar to Egypt; this has resulted in many patients getting access to these costly medicines which would not have been possible in absence of this arrangement. Nearly 10,000 people started hepatitis C treatment in two weeks during February 2016 alone. Pakistan treated around 257,000 people for hepatitis C between 2011 and 2015 using pegylated interferon or interferon and ribavirin.

The Government of Pakistan has already announced the registration of 11 companies (9 of them local manufacturers) for sale of the generic version of Sofosbuvir. This will result in increasing market access, which is ultimately going to result in a long term revenue stream for companies like Laurus Labs which is one of the prominent suppliers of API to Pakistan based pharmaceutical companies.

Vietnam

Vietnam has a very high prevalence of HCV in the high risk groups like injection drug users (“IDUs”) blood donors and dialysis patients. As per various estimates prevalence rates in Vietnam appear to vary between regions and risk groups, ranging from 1–2.9% in the general population to 46–87% in IDUs.

Realizing the severity of the situation the Vietnamese government has negotiated with Indian manufacturers for generic Sofosbuvir and Daclatasvir. This was helped by the fact that Vietnam is one of the 91 countries where Gilead has allowed Indian manufacturers to sell this drug at a price of their choice.

Myanmar

Myanmar also has reported a very high prevalence of Hepatitis C in high risk groups like IDU’s. As per the WHO, the prevalence of HCV in IDUs was as high as 79%. This makes Myanmar one of the countries having a very high prevalence of HCV in IDUs. Rampant usage of entertainment drugs through injections further compounds the problem of HCV transmission.

It is expected that approximately 1.1-1.4 million people in Myanmar suffer from HCV.

Key Products in Hepatitis C

The treatment of Hepatitis C depends on several factors such as:

- viral load;
- genotype or strain of Hepatitis C;
- extent of liver damage; and
- comorbid conditions.

Though there are no vaccines available for Hepatitis C, effective treatments are available. The latest DAAs such as Sofosbuvir, Daclatasvir and the Ledipasvir/Sofosbuvir combination have brought about a revolutionary change in the treatment of Hepatitis C. A majority of patients are cured after three months of treatment. However, patients in advanced stages require up to six months of treatment. These therapies have a success rate of curing 95% of patients.

WHO 2016 guidelines for the treatment of Hepatitis C

The WHO recommends that DAA regimens be used for the treatment of persons with Hepatitis C infection rather than regimens with Pegylated Interferon and Ribavirin.

Recommendations for people without cirrhosis

- Patients with HCV infection with genotype 1 and 4 are to be treated with a Sofosbuvir/Daclatasvir combination for three months;
- patients with HCV infection with genotype 2 are to be treated with Sofosbuvir and Ribavirin for three months; and
- Patients with HCV infection with genotype 3 are to be treated with Sofosbuvir and Daclatasvir for three

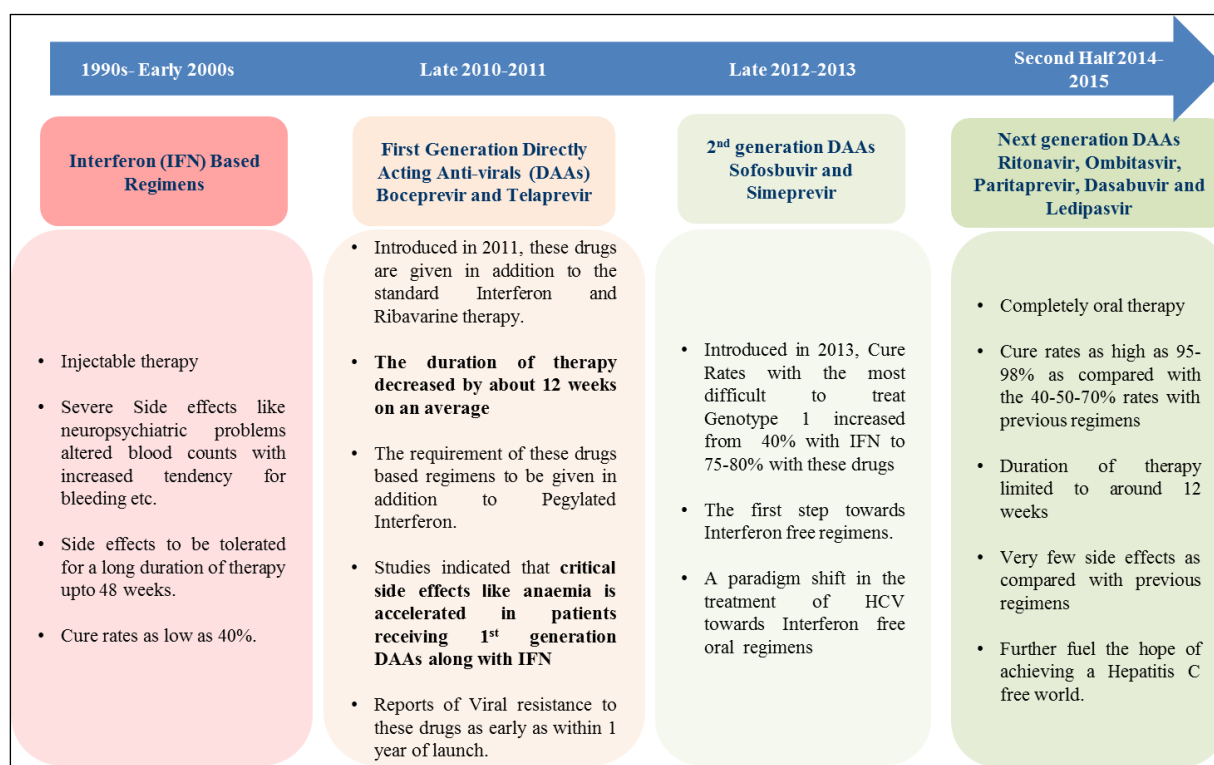
months or with Sofosbuvir and Ribavirin for six months.

Recommendations for people with cirrhosis

- Patients with HCV infection with genotype 1 and 4 are to be treated with a Sofosbuvir/Ledipasvir combination for six months or with a Daclatasvir/Sofosbuvir combination for six months or with a Daclatasvir/Sofosbuvir/Ribavirin combination for three months; and
- Patients with HCV infection with genotype 3 are to be treated with a Daclatasvir/Sofosbuvir/Ribavirin combination for six months.

Patients suffering from Cirrhosis need an extended treatment of six months to achieve the desired results. However, patients with severe liver cirrhosis and liver failure cannot be treated by conventional medicines and need to undergo liver transplantation. It is estimated that approximately 10% of HCV patients need to undergo transplants. If patients only have cirrhosis on a fibroscan, they can opt for new DAAs to avoid further complications of the disease.

The following chart sets forth the evolution of Hepatitis C treatment regimens



(Source: Hepatitis C Report)

Indian Market Overview

Currently, different types of treatment options are available in the market, including multiple types of medication, surgery and alternative medicines. Novel medical treatments, which claim to have a cure rate of 90% and above is the primary driving force for the Hepatitis C market in India. The availability of these drugs at a fraction of the cost, compared to the developed world, complements the growth of this market. The high patient base of Hepatitis C in India tends to make this market increasingly attractive for pharmaceutical companies. In absolute value terms, North America is one of the leading markets for Hepatitis C treatments. However, on account of high patient load, China and India are emerging as the two most prospective markets for Hepatitis C treatment in the Asian region and the Asian region is expected to be a sustainable growth engine for these novel products.

The recent introduction of DAA has brought about a paradigm shift in the treatment of Hepatitis C. Though DAAs are considered as a revolutionary treatment, the prices of DAAs in the developed world are very high, at over US\$50,000 for a 12-week course. Yet with a majority of HCV patients residing in LMICs, affordability of this drug acts as a major restraint for market access. To counter the challenges of affordability-related access issues, multinational companies, through novel mechanisms such as licensing, technology transfers and other partnership models, are trying to make the drugs more accessible in countries like India.

In 2016, the Indian patent office approved Gilead's Hepatitis C drug, Sovaldi (Sofosbuvir). However, Gilead had earlier signed non-exclusive-licensing agreements with 11 Indian generic companies including Natco Pharma Limited, Hetero Drugs Limited, Cadila Healthcare Limited, Cipla Limited, Mylan Laboratories Limited, Sun Pharma, Laurus Labs Limited and Strides Shasun Limited to provide generic versions of Sovaldi and Harvoni (Sofosbuvir/ Ledipasvir) to over 100 developing nations. This philanthropic effort by Gilead turned out to be a watershed moment for making these Hepatitis C drugs available to a larger section of the Indian population. The effort by Gilead was followed by Bristol Myers Squibb, which, through Medicine Patient Pool, a non-profit body, allowed Indian Companies access to its drug Daclatasvir. Additionally, the apex committee of the Central Drugs Standard Control Organisation ("CDSCO") granted a waiver of local trials for crucial new direct-acting antiviral drugs treating the disease. The waiver allows quicker introduction of generic versions of Daclatasvir and Sofosbuvir-Ledipasvir co-formulation in the market, and will cost much lesser.

This unique partnership model has ensured that drugs which normally cost over US\$50,000 for total therapy in the developed world will cost less than US\$1,000 in India. The high level of competition amongst generic manufacturers is expected to bring down the prices even further and it is widely anticipated that these therapies will be available for less than US\$500 within the next 12 to 18 months. This has given new hope to Indian patients. Further, it is anticipated that a huge number of international patients seeking high quality and cost efficient treatments for Hepatitis C will come to India. However, it is too early to predict the actual number of patients this will bring to India as it will also be a function of declining prices and greater access to these drugs in the other parts of the world.

Market Growth Drivers

Increasing generics penetration: An increasing number of licensing agreements have been signed between international pharmaceutical companies and Indian drug manufacturers to make generic versions of Hepatitis C drugs. This has led to competition, thereby leading to a decline in drug prices for Hepatitis C. Gilead has signed agreements with 11 companies in India, to manufacture generic versions of Sofosbuvir which has led to the reduction in prices of generic drugs from US\$10 per tablet to US\$4.29 within a year of launch, thus making it much more affordable. The reduction of prices of generic medicines in India is not only contributing to the market growth by increasing the number of patients in India, but is also attracting Hepatitis C patients from outside India who are seeking high quality and cost effective treatment, thereby making India a hub for medical tourism.

Improved formulations: The newer drug formulations have 90% cure rates with lower treatment duration and negligible side effects. In addition, these drugs are complemented with convenient dosage and dose forms like fixed dose combinations and once-daily all oral formulations, which significantly improve patient compliance levels. These factors directly contribute to the growth of the market by increasing the rate of prescriptions by not only the Gastroenterologists, but also General Physicians (GPs: Physicians with an MBBS degree only) and Consulting Physicians (Physicians with MBBS and MD degree), especially in rural India.

Increased screening/diagnosis and novel ways for access to treatment: Rising competition in the generic industry and falling prices have forced pharmaceutical companies to design innovative ideas which help them widen their customer base and deepen their market reach. Some of the pharmaceutical companies are increasing the patient pool by sponsoring screening devices and free test kits to hospitals, while other companies are involved in providing bulk discounts to entire villages to get screened for Hepatitis C, all contributing to additional customer creation and market expansion.

For instance:

- Dr. Reddy's has set up a venture with lender Arogya Finance to offer no-interest loans for patients;
- Abbott has collaborated with a French medical equipment company, Echosens SAS, to supply 13

ultrasound machines to Indian hospitals to determine the level of fibrosis, or hardening, without a liver biopsy; and

- The overall cost of diagnosis has steadily been declining. A Hepatitis C test kit which used to cost upwards of ₹6,000 has come down to approximately ₹2,500 to ₹3,000. Additionally, physical access to these tests has increased drastically due to the hub and spoke and franchisee model of labs like Dr. Lal, Metropolis, SRL and Thyrocare.

Market Restraints

Low Screening Rate: Though there have been initiatives taken by some of the pharmaceutical companies for improving the screening rate, there is still a huge need for more Hepatitis C screening in India. This is due to Hepatitis C being a silent disease and not manifesting itself immediately after transmission. In absence of overt symptoms the general public does not feel the need to undertake proactive screening for the HCV.

Poor Awareness: Though there has been a gradual increase in awareness levels regarding the disease in urban India, there is still much work to be done in regards to increasing awareness with respect to the disease and its transmission, especially in rural India.

Poor Accessibility: Access to drugs and diagnostic services like genotype testing and HCV quantification has been restricted to bigger cities and towns in India. There is still a huge gap with respect to accessibility to medical services in rural regions of India.

Role of Insurance

Although some Medi-Claim and insurance companies do provide reimbursement for treatment of HCV infections, the majority of the insurance policies do not reimburse the entire claim, leaving many patients to pay much of the cost out of pocket.

Market Size

The total number of patients receiving DAAs in India in 2016 is estimated to be approximately 0.28 million, with approximately 60% of patients being treated with Sofosbuvir, 27% of patients with Sofosbuvir+Daclatasvir and a small proportion of approximately 12 to 13% of patients with Sofosbuvir+Ledipasvir, Gilead's all oral combination drug consisting of Ledipasvir/Sofosbuvir. Sofosbuvir has been a backbone of the Hepatitis C treatment regimen and a majority of the clinicians tend to prescribe either Sofosbuvir in isolation or in combination with Daclatasvir. Going forward, it is expected that there will be an increasing trend in combination therapy, and sales of Daclatasvir are expected to benefit from this phenomenon. Thus, it is expected that approximately 90% of patients will be treated with a Sofosbuvir/Daclatasvir combination or only Sofosbuvir.

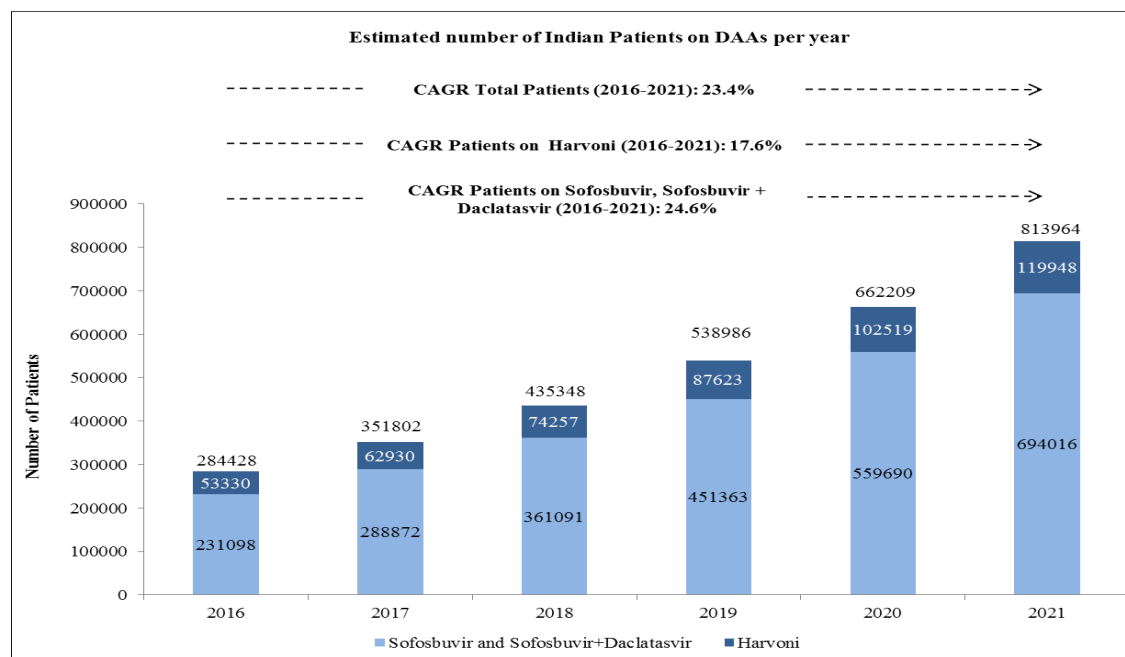
It is also anticipated that Pegylated Interferons will be completely removed from the treatment regimen of Hepatitis C and almost 100% of treatments will be with DAAs. A very small proportion of difficult to treat patients will be treated with Ribavirin along with one of the DAA combinations. A reduction in the use of Pegylated Interferons will be due to the falling prices of DAAs and the side effects associated with the use of Pegylated Interferons.

Sofosbuvir is the market's preferred treatment regimen for HCV not only due to its first mover advantage, but it is also the backbone of other therapies such as Sofosbuvir+Daclatasvir, Sofosbuvir+Ledipasvir, and Daclatasvir which is Pan-Genotypic in nature. In contrast, Sofosbuvir+Ledipasvir is expected to have a slower growth since it is used only for genotype 1 which comprises 25% of the total hepatitis C population. Clinicians have indicated that going forward Sofosbuvir, along with Daclatasvir, will be a preferred option for treating Hepatitis C as it has proven to be more effective in treating genotype 3, which is a more prevalent form of Hepatitis C in India.

Due to this interplay amongst efficacy, outcome and cost considerations it is anticipated that Daclatasvir will grow at a greater pace (albeit on a smaller base), however due to economic considerations Monotherapy will likely be more prevalent and the beneficial impact of that phenomenon will benefit Sofosbuvir.

The following chart sets forth the estimated number of Indian patients who will receive DAA treatment per year

for the periods indicated.



(Source: Hepatitis C Report)

Product-wise trends in the Hepatitis C market

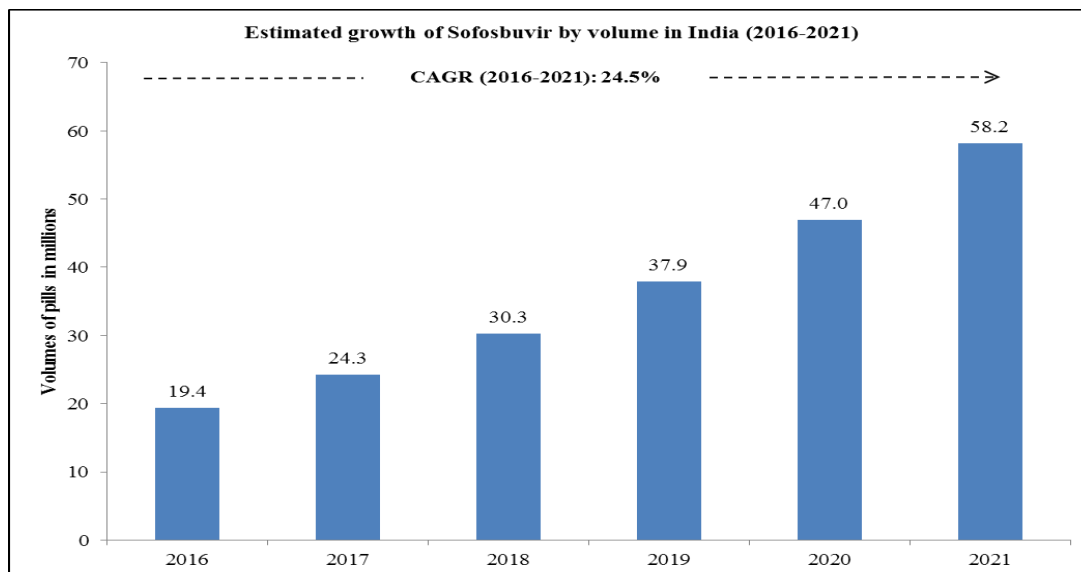
Sofosbuvir

Sovaldi, the brand name for Sofosbuvir, is a revolutionary drug and has been available in India since 2014. In India, the cost of the drug was initially approximately ₹5 million for a 12 week treatment course. It is now being offered at approximately ₹40,000 to ₹60,000. The introduction and low pricing of this drug has been of utmost importance for India due to the high rate of HCV infections.

An analysis of the global pipeline of Hepatitis C drugs indicates that Gilead has an edge over the competition in terms of bringing new therapies to the market, case in point being Epclusa, which received approval in the United States in June, 2016. A further analysis of the pipeline indicates that another drug under development by Gilead has Sofosbuvir at the core. An analysis of the WHO 2016 guidelines for Hepatitis C treatment also indicates the necessity of Sofosbuvir being at the core of every therapy, irrespective of genotype or the cirrhotic status of the patients. Sofosbuvir is not expected to face any serious competitive threat and will continue to remain the backbone of Hepatitis C therapy. In 2015, sales of Sovaldi for Gilead amounted to US\$5.5 billion.

Formulations Market

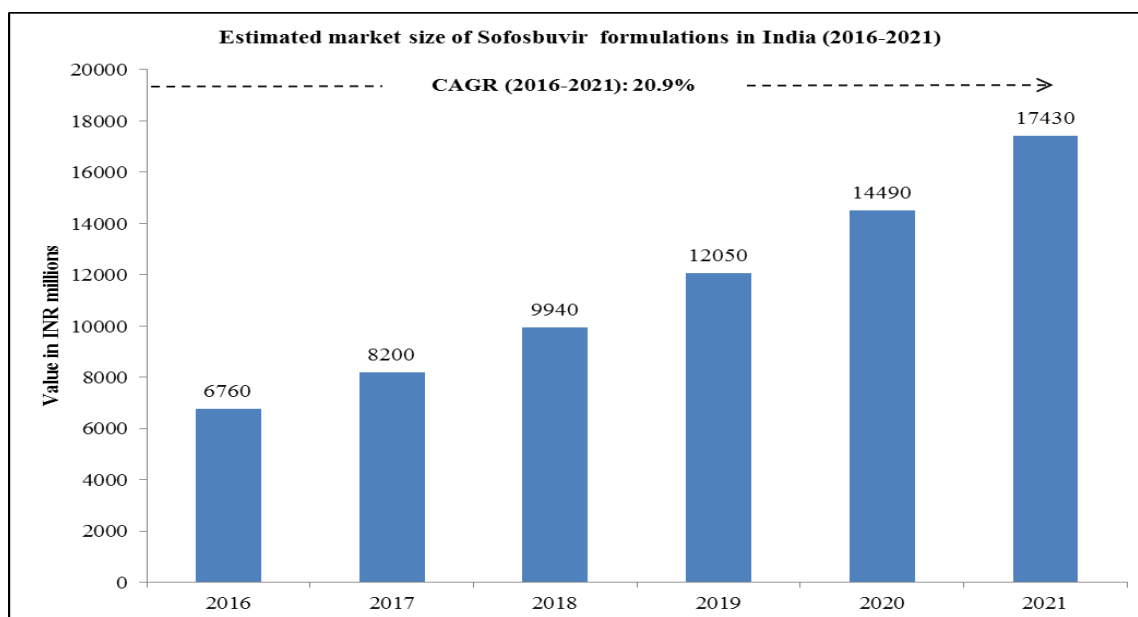
The Indian formulations market of Sofosbuvir, by volume, is estimated to grow from approximately 19 million pills in 2016 to approximately 58 million pills by 2021, at a CAGR of 24.5%. The following chart sets forth the estimated growth of Sofosbuvir by volume (number of pills) from 2016 through to 2021.



(Source: Hepatitis C Report)

The ability of the drug to treat all four genotypes of Hepatitis C (1, 2, 3 and 4), complemented with its once-daily dosage and oral administration, will contribute to the growth of demand for this drug. Additionally, the drug's ability to treat patients with HCV/HIV co-infection and those with liver transplantation increases the attractiveness of the drug. By value, the formulations market of Sofosbuvir is estimated to grow from ₹6,760 million in 2016 to ₹17,430 million by 2021, at a CAGR of 20.5-21%. The increasing generic competition and growing volumes are likely to cause a decline in its price.

The following chart sets forth the estimated Indian market size of Sofosbuvir formulations for the periods indicated.



(Source: Hepatitis C Report)

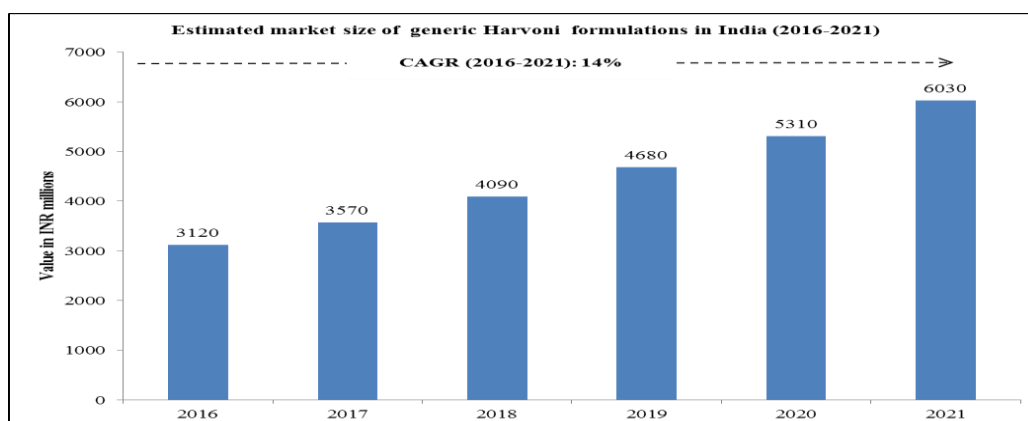
Sofosbuvir + Ledipasvir (Harvoni)

The India drug regulator has approved Hetero Drugs Limited's and Natco Pharma Limited's generic version of Harvoni to be launched in India for the treatment of chronic Hepatitis C genotype 1 infection. Natco Pharma Limited's generic version of Harvoni costs approximately ₹19,500 for a bottle of 28 tablets. Additionally, other companies like Biocon Limited and Mylan Laboratories Limited have also introduced generic equivalents of Harvoni in India. The introduction of generic versions of this drug will drive patients around the world to seek out a generic version of Harvoni from India.

Sofosbuvir + Ledipasvir formulations market

The Indian formulation market of Ledipasvir, by volume, is estimated to grow from approximately 4.4 million pills in 2016 to approximately 10 million pills by 2021, at a CAGR of 17 to 18%. Though Harvoni is only used to treat genotype 1 of HCV, which comprises approximately 25% of the Hepatitis C population in India, the all-oral combination regimen contributes to the growth of the product. By value, the formulations market of Sofosbuvir + Ledipasvir is estimated to grow from approximately INR 3,000 million in 2016 to approximately INR 6,000 million by 2021, at a CAGR of 16 to 17%. This is over and above the market size of INR 6700 million for Sofosbuvir. The increasing generic competition and growing volumes will cause a decline in the price of Sofosbuvir + Ledipasvir.

The following chart sets forth the estimated market size of generic Harvoni formulations for the periods indicated:



(Source: Hepatitis C Report)

Daclatasvir

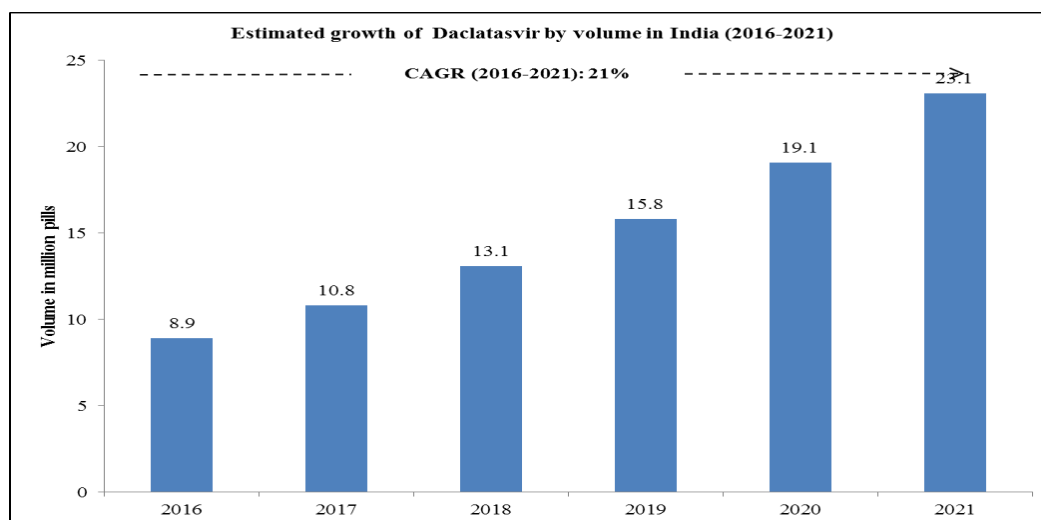
Natco Pharma Limited markets the generic Daclatasvir under its own brand NATDAC and through its strategic partners in India, at ₹6,000 and ₹4,000 for the 60mg and 30mg strengths, respectively, for a pack of 28 tablets. Hetero Drugs Limited and Natco Pharma Limited have received approval from the Drug Controller General of India ("DCGI") for the generic version of Daclatasvir tablets. The product, in combination with Sofosbuvir, is used for the treatment of genotype 3 of HCV infections, which is highly prevalent in India.

In light of the WHO 2016 guidelines for Hepatitis C treatment, Daclatasvir is expected to show higher growth in relative terms when compared to other drugs, especially when considering it had started on a low base compared to Sofosbuvir. Further, Daclatasvir does not face any imminent threat in the near term, save for the fact that the Sofosbuvir/Velpatasvir combination has been launched in India through a licensing pact.

Daclatasvir formulations market

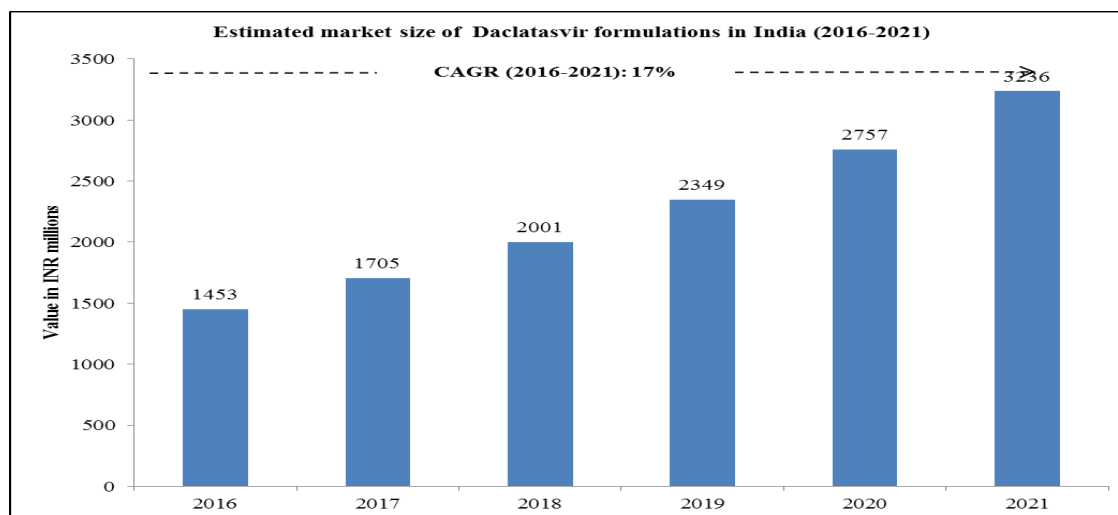
The formulations market of Daclatasvir, by volume, is estimated to grow from approximately 8.9 million pills in 2016 to approximately 23 million pills by 2021, at a CAGR of 21%. The following chart sets forth the estimated

growth of Daclatasvir by volume (number of pills) from 2016 through to 2021.



The ability of the drug to treat genotype 3, which contributes to around 63% of HCV infections in India, contributes to the positive growth of the drug. A body of clinicians opine that Sofosbuvir alone tends to act effectively. However, using Sofosbuvir and Daclatasvir, in combination has proven to be the most effective course. By value, the formulations market of Daclatasvir is estimated to grow from approximately ₹1,450 million in 2016 to approximately ₹3,200 million by 2021, at a CAGR of 17%.

The following chart sets forth the estimated market size of the Daclatasvir formulations market for the periods indicated:



(Source: Hepatitis C Report)

API Market

Sofosbuvir API Market

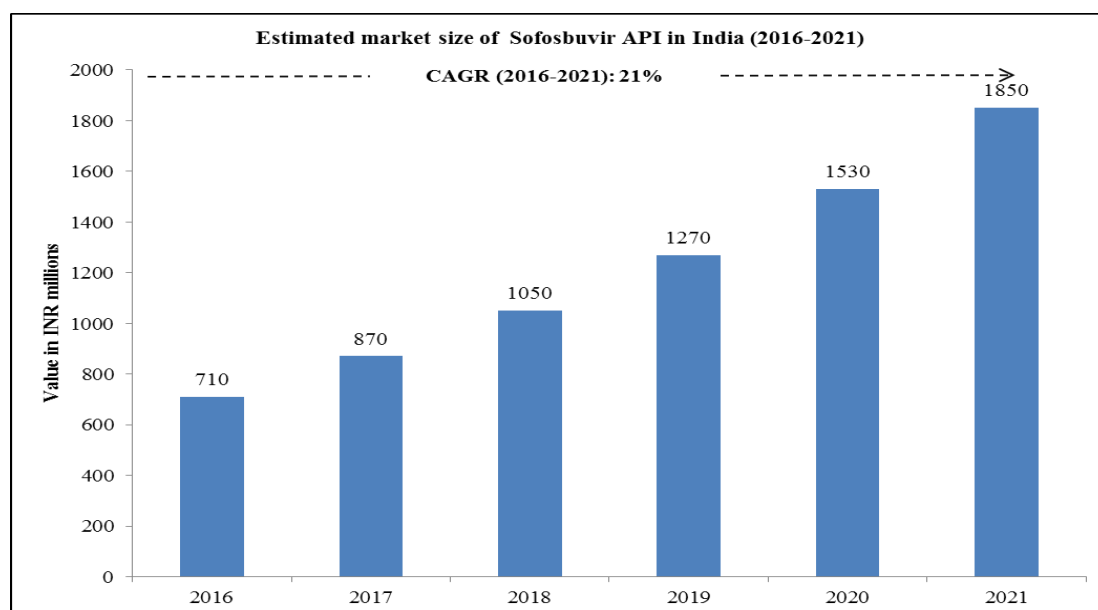
The consumption of Sofosbuvir's APIs is estimated to grow from approximately 9,500kgs in 2016 to approximately 27,300kgs by 2021, at a CAGR of 22 to 23%. This growth is driven by increasing generic formulation companies penetrating the market, thereby increasing the consumption of APIs.

By value, the API market of Sofosbuvir is estimated to grow from approximately ₹700 million in 2016 to approximately ₹1,850 million by 2021, at a CAGR of 20 to 21%. However, the growing volumes have led to

declining prices, having fallen from between US\$5,000 and US\$2,500 per Kg, to between US\$1,250 to US\$1,000 per Kg in 2015. Further, the price from 2016 to 2021 is estimated to fall another two percent.

In India Sofosbuvir API is manufactured by two companies, Laurus Labs Limited and Hetero Drugs Limited. Laurus Labs Limited has a partnership with Natco Pharma Limited and under the partnership Laurus Labs Limited is the exclusive supplier to Natco Pharma Limited and Natco Pharma Limited tends to supply the same as formulations through its own distribution network and also by supplying it to other pharmaceutical companies. Hetero Drugs Limited is a competitor of Laurus Labs in the Hep-C API segment and an integrated player, from API to formulations. Industry interaction indicates that Laurus Labs Limited through its partnership with Natco Pharma Limited, has been able to dominate approximately 58% to 60% of the market, with the rest being served by Hetero Drugs Limited.

The following chart sets for the estimated Sofosbuvir API market size for the periods indicated :



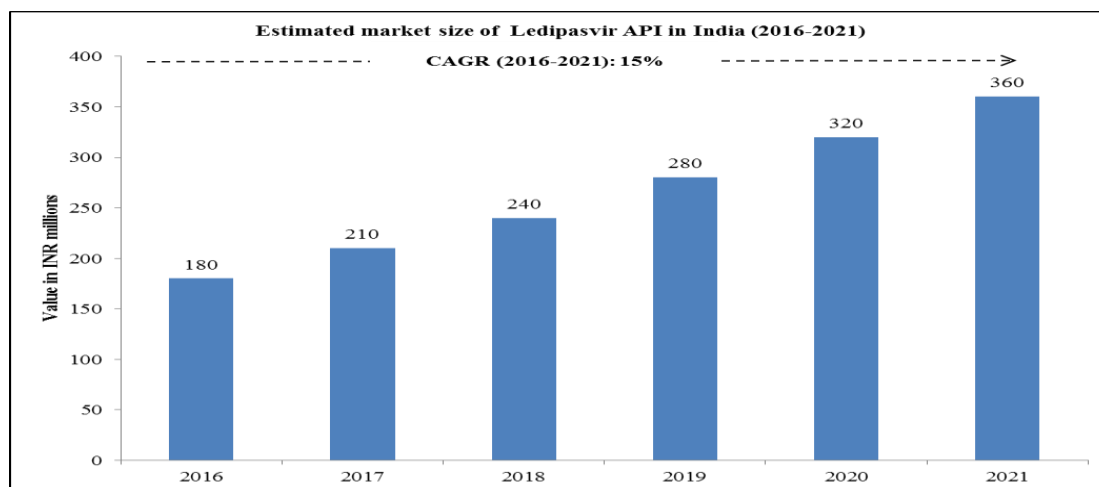
(Source: Hepatitis C Report)

Ledipasvir API Market

The consumption of Ledipasvir API is estimated to grow from approximately 400 Kgs in 2016 to approximately 900kgs by 2021, at a CAGR of 18%. This growth is being driven by an increasing amount of generic formulation companies penetrating the market, thereby increasing the consumption of APIs. This is one of the most costly API's in the Hepatitis C treatment market, on average costing approximately ₹0.45 million per Kg, when compared to Sofosbuvir and Daclatasvir, whose average price is approximately ₹70,000 to ₹75,000 per Kg.

The API market of Ledipasvir, by value, is estimated to grow from ₹180 million in 2016 to approximately ₹360 million by 2021, at a CAGR of 15%. The price movement from 2016 to 2021 is estimated to fall approximately three percent.

The following chart sets for the estimated Ledipasvir API market size for the periods indicated:

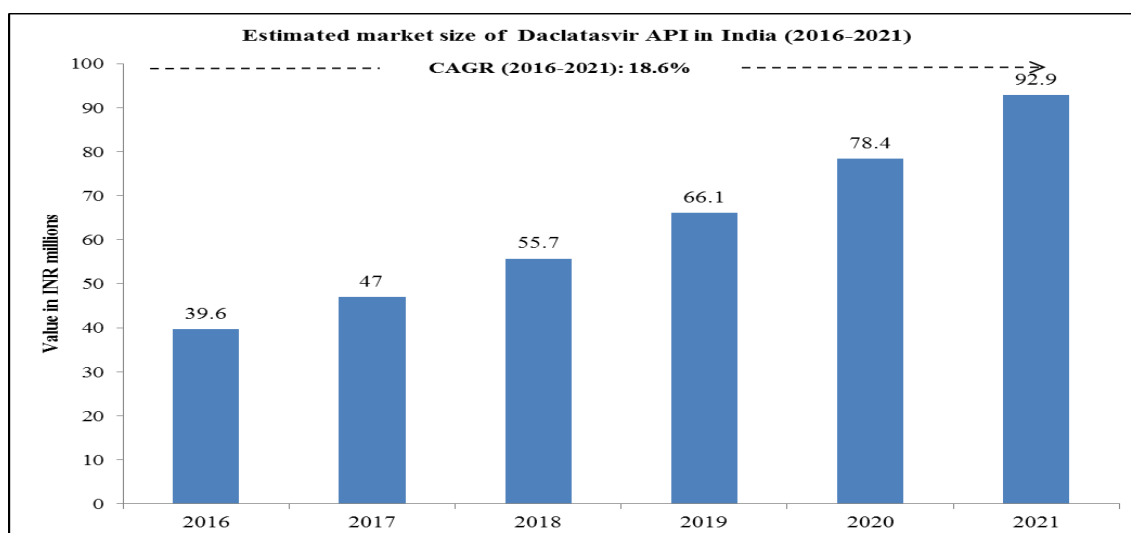


(Source: Hepatitis C Report)

Daclatasvir API Market

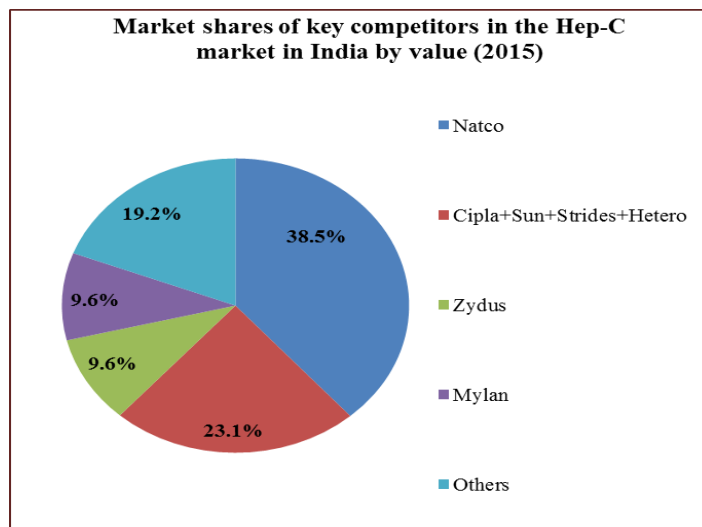
The consumption of Daclatasvir API is estimated to grow from 535 Kg in 2016 to approximately 1,387 Kg by 2021, at a CAGR of 20 to 21%. This growth is being driven by an increase in prescriptions of the Sofosbuvir/ Daclatasvir combination by clinicians as a more effective course of treatment and an increasing amount of generic companies penetrating the market, thereby increasing the consumption of Daclatasvir APIs. By value, the API market of Daclatasvir is estimated to grow from approximately ₹40 million in 2016 to around ₹90 million by 2021, at a CAGR of 18 to 19%.

The following table sets for the estimated Daclatasvir API market size for the periods:



(Source: Hepatitis C Report)Key Competitors by Segment

The following chart sets forth the key market participants, by market share, in the Hepatitis C Market in India for 2015:



Market participants categorized as 'Others' include Emcure, Wockhardt and Biocon.
(Source: Hepatitis C Report)

Partnership Deals

Gilead

Sofosbuvir

In September 2014, Gilead signed non-exclusive licensing agreements with seven India-based generic pharmaceutical manufacturers to expand access to its chronic Hepatitis C medicines in developing countries. The agreements allow the companies Cadila Healthcare Limited, Cipla Limited, Hetero Labs Limited, Mylan Laboratories Limited, Sun Pharma, Sequent Scientific Limited and Strides Shasun Limited to manufacture Sofosbuvir and the investigational single tablet regimen of Ledipasvir/Sofosbuvir for distribution in 91 developing countries. Sofosbuvir is a major participant in the Hepatitis C market, with an estimated market size of ₹6,760 million during the financial year 2016, and expected to grow at an estimated CAGR of 12% between 2016 and 2021.

Under the licensing agreements, the Indian companies receive a complete technology transfer of the Gilead manufacturing process to enable them to scale up production as quickly as possible. The licensees set their own prices for the generic product they produce, paying a royalty on sales to Gilead to support product registrations, medical education and training, safety monitoring and other essential business activities. The licenses also permit the manufacture of Ledipasvir or Sofosbuvir in combination with other chronic Hepatitis C medicines.

Gilead subsequently expanded its agreement to include four more companies, Aurobindo Pharma Limited, Biocon Limited, Laurus Labs Limited and Natco Pharma Limited, bringing the total to 11 India-based generic pharmaceutical manufacturers to develop Sofosbuvir, the single tablet regimen of Ledipasvir/Sofosbuvir and the investigational single tablet regimen of Sofosbuvir/Velpatasvir or for distribution in 101 developing countries.

Additionally, Gilead has also signed agreements with three local generic manufacturers for in-country production and distribution of the company's Hepatitis C medicines in Egypt and Pakistan.

Velpatasvir

In January 2015, Gilead expanded its Hepatitis C generic licensing agreements with India-based firms to include the combination of Velpatasvir and Sofosbuvir (Gilead: Epclusa) the first all oral, pan-genotypic single tablet regimen for treating adults with genotype 1-6 chronic HCV infection.

Post its approval by the US-FDA since June 2016, the expanded agreements will allow Gilead's India-based partners to manufacture Velpatasvir/Sofosbuvir and its distribution in 101 developing countries, which together

account for 54% of the total worldwide population of individuals infected with HCV.

Natco Pharma Limited

In January 2016, Natco Pharma Limited signed a non-exclusive, royalty free licensing agreement with the MPP and Bristol Myers Squibb to manufacture and sell generic versions of Bristol Myers Squibb's chronic Hepatitis C medicine - Daclatasvir Dihydrochloride, used for the treatment of chronic Hepatitis C. The drug will be marketed under the trade name NATDAC through Natco Pharma Limited's strategic partners. The agreement allows Natco Pharma Limited to expand access to these medicines in 112 developing countries. Under the agreement, Natco Pharma Limited has the liberty to set its own price for the generic products it produces.

Bristol Myers Squibb's Agreement

In January 2016, the MPP signed the first round of sub-licences for the generic production of Bristol Myers Squibb's Daclatasvir, a novel direct-acting antiviral that is proven to help cure multiple genotypes of the Hepatitis C virus. Generic companies Cipla Limited, Emcure, Hetero, Natco Pharma Limited and Laurus Labs Limited have signed non-exclusive, royalty free agreements with Bristol Myers Squibb and the MPP to produce and sell Daclatasvir in 112 low and middle income countries. The sub-licences follow MPP's announcement of its first Hepatitis C licensing agreement, signed with Bristol Myers Squibb in November 2015, and mark the first time that generic manufacturers have worked through a non-profit, public health organisation to increase access to new Hepatitis C medicines for developing world patients.

Conclusion

The Hepatitis C market in India and other emerging markets is witnessing high growth which is being driven by easy access to affordable drugs like DAAs. The market is expected to sustain the high growth, driven by factors such as a reduction in drug prices, convenience of therapy administration and negligible side effects. These factors will lead to Hepatitis C drugs being prescribed by general and consulting physicians, beyond only gastroenterologists. Further, an increase in awareness surrounding Hepatitis C is expected to provide additional momentum to this growth.

The market is expected to expand significantly due to an increasing presence of formulation companies, which are increasing Hepatitis C screening and access to the needed therapies. These efforts will lead to the diagnosis of previously undiagnosed Hepatitis C patients. Laurus Labs and Hetero Labs are two Indian companies which have non-exclusive licensing agreements with inventor companies such as Gilead and Bristol Myers Squibb. Thus, these companies are uniquely positioned to capitalize upon the opportunity in the Hepatitis C drugs market.

Oncology

Overview

The global oncology market is the largest therapeutic area in both developed and less developed countries. Cancer is a group of diseases characterized by the uncontrolled growth and spread of abnormal cells. If the spread is not controlled, it can result in death. Cancer is caused by both external factors such as tobacco consumption, chemicals, radiation and infectious organisms and internal factors such as inherited gene mutations, immune conditions, hormones and random mutations. These causal factors may act together or in sequence to initiate or promote carcinogenesis. Depending on the stage of the disease, cancer can be treated by surgery, radiation, chemotherapy, hormone therapy, biological therapy or targeted therapy.

Cancer Risk Factors

There are several risk factors which can lead to cancer such as:

Chemical Carcinogens. A carcinogen is any substance, such as a chemical or radiation particles, which can damage a cell and make it more likely to turn cancerous. Examples of chemical carcinogens include inhaled asbestos and certain dioxins, amongst others, and examples of radiation include gamma rays and alpha particles, amongst others.

Age. The risk of developing cancer increases with age; this is likely due to an accumulation of damaged cells in the body over time. As time progresses and one ages, a damaged cell may manage to survive and multiply out of control, and eventually become cancer.

Tobacco Smoke. Tobacco smokers are more likely to develop cancer of the lungs, mouth, throat, oesophagus, bladder or pancreas.

Lifestyle Factors. Diet and other lifestyle factors such as exercise, or a lack thereof, may decrease or increase the risk of developing cancer.

Radiation. Radiation is carcinogenic. For example, exposure to radioactive materials and nuclear fallout can increase the risk of leukaemia and other cancers. Likewise, sun exposure and sunburn, which is primarily radiation from ultraviolet A or B rays, can increase the risk of developing skin cancer.

Immune System. A deficient immune system, such as that of people with AIDS or on immunosuppressive therapy, increases the risk of an individual developing certain cancers.

Genetics. Other cancers have a strong genetic link. For example, in certain childhood cancers an abnormal gene or group of genes may lead to certain kinds of growths or trigger a cell to become abnormal and cancerous. However, regular screening examinations by a healthcare professional can result in the detection and removal of precancerous growths, as well as the diagnosis of cancers at an early stage. Such screening examinations are typically used for the early detection of cancers of the colon, rectum, breast, prostate and skin.

(Source: *Oncology Report*)

Epidemiology

Cancer is a major cause of morbidity and mortality, with approximately 14 million new cases and eight million cancer-related deaths reported in 2012, affecting populations in all countries and all regions of the world.

Global Incidence of Cancer

The International Agency for Research on Cancer, estimates that in 2012 there were approximately 14.1 million incidences of cancer which is expected to reach approximately 21.7 million by 2030. Incidence of cancer in men accounted for 53% of total cases in 2012 with the top three cancers being that of the lung, bronchus and trachea followed by prostate, colon, and rectal cancer. Incidences of cancer in women were estimated at 6.6 million cases, of which breast cancer accounted for 25%.

The following table sets forth the global incidences of the most prevalent cancers for men and women in 2012:

Men		Women	
Site	Incidences	Site	Incidences
Lung, bronchus and trachea	1,241,600	Breast	1,676,600
Prostate	1,111,700	Colon and rectum	614,300
Colon and rectum	746,300	Lung, bronchus and trachea	583,100
Stomach	631,300	Cervical Cancer	527,600
Liver	554,400	Stomach	320,300
Urinary bladder	330,400	Corpus Uteri	319,600
Oesophagus	323,000	Ovarian	238,700
Non-Hodgkin lymphoma	217,600	Thyroid	229,900
Kidney	213,900	Liver	228,100
Leukaemia	200,700	Non-Hodgkin lymphoma	168,100
Others	1,856,200	Others	1,756,700
TOTAL	7,427,100	TOTAL	6,663,000

(Source: Oncology Report)

Distribution of Cancer in Developed and Less Developed Countries

Though cancer is often considered to be a disease more prevalent in the developed world, approximately 57% of all cancers, excluding non-melanoma skin cancer, occur in less developed countries, and 43% occur in developed countries. However, the overall age-standardized cancer rate, excluding non-melanoma skin cancer, is higher in developed countries. In 2012, in developed countries approximately 268 cases of cancer were diagnosed per 100,000 individuals as compared to 148 cases of cancer diagnosed per 100,000 individuals in less developed countries.

Regional Overview of Cancer Incidences

The following table sets forth the regional incidences of cancer in 2012:

Region	Incidence	Share
Africa	847,000	6%
Asia	6,763,000	48%
America	2,882,500	20%
Europe	3,442,300	24%
Others	155,400	1%

(Source: Oncology Report)

Distribution of Cancer amongst Males and Females

In 2012, lung cancer was the most common cancer worldwide contributing 13% to the total number of new cases diagnosed in 2012. Breast cancer was the second most common cancer diagnosed in 2012 with nearly 1.7 million new cases reported in 2012 amongst women alone. In 2012, colorectal cancer was the third most prevalent form of cancer with nearly 1.4 million new cases reported.

The following table sets forth total incidences of cancer diagnosed amongst men and women per 100,000 individuals in the nations indicated.

Country	Total	Male	Female
France	324.6	385.3	267.7
United States of America	318.0	347.0	297.4
Germany	283.8	323.7	252.5
Italy	278.6	312.9	255.2
United Kingdom	272.9	284.0	267.3
Spain	249.0	312.8	198.1
Japan	217.1	260.4	NA

(Source: Oncology Report)

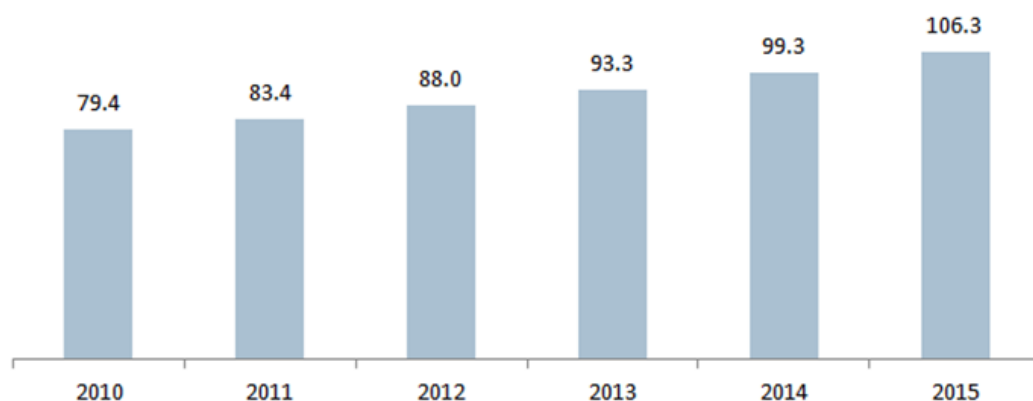
The following table sets forth the total number of deaths from cancer causing deaths for the age groups indicated in 2012.

Age	Male (per 100,000 individuals)	Female (per 100,000 individuals)
0-24	295	202
25-44	1,497	1,833
45-64	17,156	13,543
65-84	60,717	40,006

85 + 15,849 18,142
 (Source: Oncology Report)

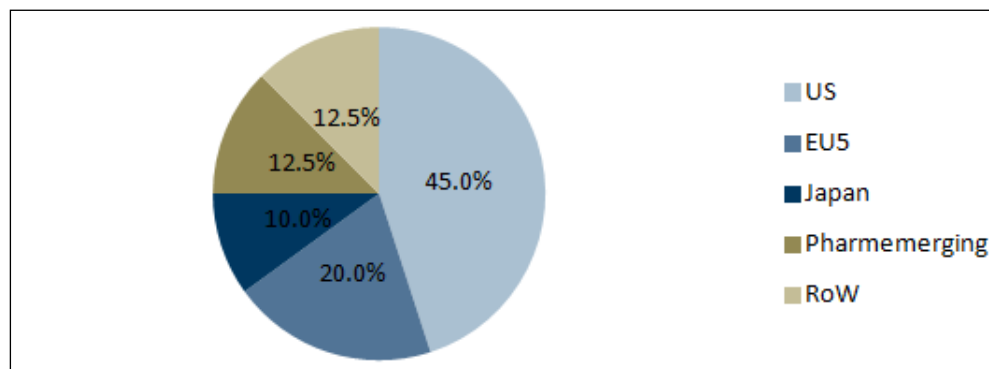
The global oncology market is the largest therapeutic area in both developed and less developed countries. The global oncology market continues to grow year over year, in 2010 it was estimated to be worth approximately US\$79.4 billion and grew to approximately US\$106.3 billion by 2015, at a CAGR of 6.9%.

The following chart sets forth the estimated global oncology market size for the periods indicated (in US\$ billions):



(Source: Oncology Report)

The following chart sets forth the regional split of the global oncology market in 2015:

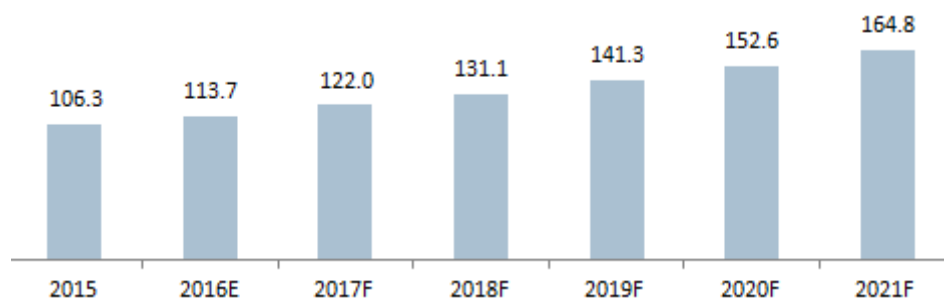


EU5: UK, Germany, Spain, Italy and France

(Source: Oncology Report)

The global oncology market is forecasted to steadily grow at 7% to 8% between 2015 and 2020, eventually reaching a value of approximately US\$152 billion in 2020.

The following chart sets forth the estimated growth of the global oncology market for the periods indicated (in US\$ billions):



(Source: Oncology Report)

Chemotherapy, which is currently a US\$30 billion portion of the oncology industry, faces a patent cliff phenomenon which is expected to commence sometime between 2017 and 2020. As a result of the patent, cliff it is expected that prices will fall significantly. However, it is also anticipated that the growth in patient numbers will more than make up for the fall in prices. A strong pipeline of biologics is expected to drive the growth of the market on account of two facts, first, the therapies are more effective, and second, the therapies are coming at a higher cost.

Market Growth Drivers

Increasing Incidence of Cancer, along with cardiovascular disease, is the biggest cause of mortality in the developed world, i.e G-7 countries (USA, UK, France, Italy, Spain, Germany and Japan). Changes in dietary habits along with other lifestyle factors such as alcohol and tobacco consumption are the primary causative factors for this increase. Genetics is also playing its own role in increasing the prevalence. However, a clear linkage is yet to be established.

Increase in Access to Medicines. Chemotherapy agents going off-patent has resulted in significant price reductions, thus increasing the affordability of these drugs. Regulations like the Affordable Care Act in the United States have also resulted in increased access to cancer treatment.

Advancements in Technology. The next generation linear accelerators along with CT Scan and MRI technology have been able to provide more reliable therapies for cancer, which has resulted in prolonging the life of the patient and thus lengthening the duration of therapy. Future technologies like Proton Beam Therapy are expected to add to this momentum.

Advancements in Targeted Therapy. Targeted therapy interferes with the proliferation and spread of cancer cells by inhibiting signalling pathways, and therapeutic cancer vaccines generate targeted, immune-mediated antitumor responses. The advancements in targeted therapy have led to the identification of new targets in neoplastic cells and the development of novel targeted therapies. This has been one of the most important drivers for the growth of the cancer therapy market and its impact has been observed to be the highest in the G7 countries.

(Source: Oncology Report)

Market Restraints

Reimbursement Challenges. The continuous struggle between pharmaceutical companies and reimbursement authorities over issues like reimbursement limits, co-pay mechanisms and approval and inclusion of new drugs are some of the factors which restrict access to cancer therapies.

Late Stage Diagnosis. Despite all the advancements made, cancer still remains a disease which gets detected at a later stage. Save for cancers such as cervix, breast and prostate cancer, screening tests are not readily available for many other types of cancers.

Affordability Challenges. Despite good insurance penetration, a significant portion of the population is dependent on private insurance or they pay out of pocket, both of which are a huge burden.

Pricing. Falling prices of formulations is leading to subdued value growth and prices are expected to fall further. However, even with the falling prices of formulations, the cost of therapy is still very high when compared to other therapeutic areas.

R&D Complexities. The development of biologic products is complex and time consuming. Some of the most innovative companies have seen a significant delay in the approval of these drugs and have taken some of their products off the market.

(Source: Oncology Report)

Key Technology Trends in the Oncology Industry

There are currently several novel trends in the oncology industry, the advent of technologies like liquid biopsies will assist in making earlier cancer diagnosis. Advancements in companion diagnostics will make the goal of personalized medicines achievable. Advancements in sequencing and amplification techniques will permit a better understanding of cancer at the genetic level and thus make therapy more personalized. ADCs now dominate the potent development space with a steady increase in the number of potential drugs and drug targets entering into the clinical phase. This also creates a significant demand for cutting edge and complex injectables.

Chemotherapy Products in Regulated Markets

Market Overview

The oncology market comprises of different types of therapies. Namely chemotherapy, targeted therapy such as ADC, hormonal therapy, biological therapy, surgical interventions and radiation based treatment whereby high-energy particles or waves, such as x-rays, gamma rays, electron beams, or protons are used to destroy or damage cancer cells. Varying from cancer to cancer, a combination of all the therapies, i.e. surgical, radiation or medical, may be used.

Chemotherapy. There are three types of chemotherapy drugs: adjuvant therapy, neo-adjuvant therapy and concurrent therapy.

Targeted Therapy. Drugs that target a specific pathway in the growth and development of a tumour are considered targeted therapy. The targets are various molecules in the body that are known or suspected to play a role in cancer formation.

Biologic Therapy. This therapy utilizes the body's immune system to facilitate the killing of cancer cells.

Medical management of cancer comprises of two lines of therapies. First, chemotherapy based drugs, and second, targeted drugs which may be biologic based or non-biologic based. The evolution of medical management in oncology started with the advent of chemotherapy based drugs. However, over the last two decades, a majority of the advancements made in cancer medical management have been directly towards the development of biologic drugs. The biologic drugs tend to have an advantage over chemotherapy in terms of precision of action, better outcomes and fewer side effects. Going forward, it is anticipated that targeted therapy will tend to occupy the lions share of the market from a value perspective, with approximately 90% of the global oncology market.

Chemotherapy, though smaller in value, will continue to be an important element of cancer treatment primarily driven by two factors. First, chemotherapy acts as an adjuvant to biologic based therapies, and second, due to cost reasons. Where access to targeted therapies are restricted, the majority of the world population is still dependent upon chemotherapy for cancer treatment. The above two phenomenon will continue to drive the growth of the chemotherapy market, though with a price correction, and hence the value growth will not be commensurate with the volume growth. The API market for chemotherapy drugs will continue to be on an upward trend. However, moderate to significant price corrections are anticipated.

Biologics are complex in nature and take a long time to develop. The innovating companies are struggling to successfully launch these biologics on a consistent basis. There are not many biologic drugs available in the global market, developed markets included. Patent expiry in chemotherapy drugs presents a significant opportunity for both formulation and API companies. Thus, Laurus Labs has a significant opportunity in this

market to not only supply APIs to the formulation companies but also to forward integrate itself into a formulations company.

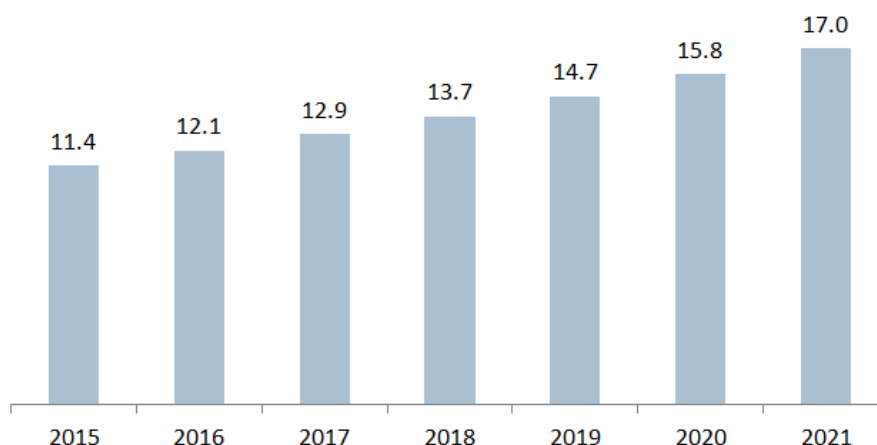
Cancer is a complex disease. Development of cancer drugs is more complex and challenging as compared to other drugs. Since these drugs cater to the unmet medical needs of the most life threatening conditions, the timelines are often very stringent. With respect to production and manufacturing of these drugs, there is a need for scientists with unique skill sets, proper facilities designed with the use of standard operating procedures, training of operators, containment equipment to ensure that employees and their environment are protected from exposure, process isolation and current good manufacturing practices. With the required skill set and regulatory compliant manufacturing facility in place, Laurus Labs has an upper hand in the oncology API space.

(Source: Oncology Report)

Global Oncology Chemotherapy Market

The global oncology chemotherapy market was estimated to be worth US\$11.4 billion in 2015 and by the end of 2021, it is estimated to reach approximately US\$17 billion, growing at a CAGR of 8.4%. This growth will be driven by an increased uptake of drugs in the rest of the world (“RoW”) markets and for some select therapies, the European Union and United States are also expected to show significant growth.

The following chart sets forth the estimated growth of the global oncology chemotherapy market for the periods indicated (in US\$ billions):



(Source: Oncology Report)

United States

The United States is the biggest market for chemotherapy drugs on a stand alone basis and it is expected to maintain its leadership position by the end of 2021. Italy, Germany, Spain, the United Kingdom and France are the second biggest consumers of chemotherapy drugs and the RoW account for the remaining share of the market. Thus, approximately slightly over 65% of the chemotherapy market is concentrated in the United States and these five EU countries and the rest is attributable to the RoW. The high share owed to the United States and the five EU countries is not only due to higher consumption of drugs but also due to higher prices of these formulations in the developed country markets. The RoW tends to be the biggest customer from a volume perspective, but extremely low prices of these drugs in countries like India tend to pull down the value of the market. The per unit price of top chemotherapy drugs like Pemetrexed, Docetaxel and Paclitaxel in the Western market are valued at approximately US\$676, US\$410 and US\$897, respectively; while, the same drugs in India are valued at approximately US\$61 US\$55 and US\$50, respectively, which is approximately 10 to 12 times lower than Western prices. Going forward, it is anticipated that the United States and the five EU countries will see the entry of more generic players which will result in a reduction of prices. Concurrently, it is anticipated that the entry of more generic players will significantly increase market access in these regions too. Entry of generic players into the respective markets will open new windows of opportunities for Indian formulators and

API manufacturers. Sun Pharma Limited will be rolling out its first ready to administer Gemcitabine in Europe in July 2016 and Laurus Labs Limited is amongst the largest manufacturers of Gemcitabine. This trend is expected to gain further momentum going forward and is expected to bring windfall gains for Indian formulators and API manufacturers.

The following table sets forth the molecules and the cancer that they treat. These molecules tend to comprise approximately 85-90% of the chemotherapy drugs and are the most frequently used chemotherapy agents.

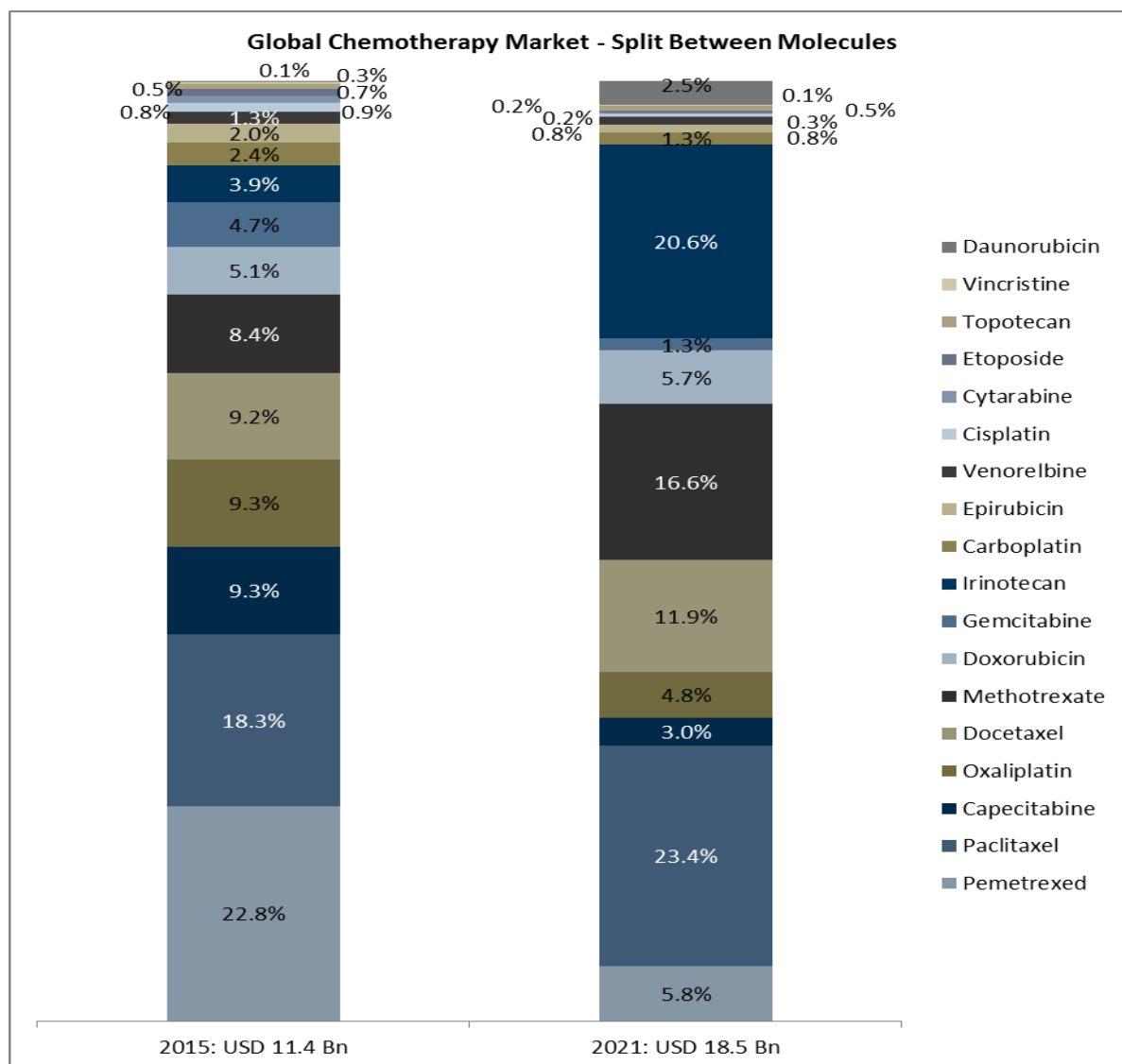
Molecule Name	Indications
Docetaxel	Breast, prostate, NSCLC, stomach and head and neck cancers.
Paclitaxel	Different cancers including ovarian, breast and non-small cell lung cancer
Daunorubicin	Leukemia
Vincristine	Leukaemia, lymphoma, myeloma, breast cancer and head and neck cancer
Capecitabine	Breast, colon, rectal, stomach, oesophageal and pancreatic cancer
Gemcitabine	Bladder, pancreas, ovary and breast and non-small cell lung cancer
Methotrexate	Breast, skin, head, neck and lung cancer
Pemetrexed	Non-small cell lung cancer
Cytarabine	Acute Myeloid Leukemia (“AML”) and non-Hodgkin lymphoma cancer
Etoposide	Lung, ovarian and testicular cancer and lymphoma cancer
Irinotecan	Colon cancer
Topotecan	Ovary, cervical and non-small cell lung cancer
Epirubicin	Breast cancer - Adjuvant
Doxorubicin	All types of cancers
Oxaliplatin	Colon cancer metastasis
Cisplatin	All types of cancers
Carboplatin	All types of cancers, mainly for ovarian cancer
Venorelbine	Non-small cell lung cancer

(Source: Oncology Report)

Analysis of the global market reveals that Pemetrexed, Paclitaxel, Capecitabine, Oxaliplatin and Docetaxel tend to contribute close to roughly 70% of the value chain. Going forward, in 2021, molecules like Paclitaxel, Pemetrexed and Docetaxel will continue to remain in the top five molecules. However, Oxaliplatin and Capecitabine are expected to pave the way for Irinotecan and Methotrexate. The growth of Irinotecan is happening at the cost of Oxaliplatin, and Capecitabine is going to be taken over by biologics. Pemetrexed, on account of its usability in non-small cell lung cancer will continue to remain in the top five category. Docetaxel and Paclitaxel, being the two most prominent anti-mototics, will continue to play a role in the medical management of cancer. The broad usage of these two molecules in almost all sorts of cancers, either as a monotherapy or a combination therapy, will continue to drive the high usage of these two drug classes.

The portfolio of Laurus Labs comprises of the following molecules: Docetaxel, Gemcitabine, Cisplatin, Carboplatin, Oxaliplatin, Imatinib, Pemetrexed and Irinotecan.

The following chart sets forth the size of the global chemotherapy market, split between molecules, for the periods indicated:



(Source: Oncology Report)

The following table sets forth regulatory statistics pertaining to chemotherapy molecules:

Molecule	Drug Master Files filed	Certificates of Suitability	Finished Dosage Form	Patents and Exclusivities	
				First Patent Expiry	First Exclusivity Expiry
Docetaxel	39	17	83	September 2033	-
Paclitaxel	67	19	216	August 2016	October 2015
Vincristine	11	4	5	March 2020	August 2015
Capecitabine	27	11	78	-	December 2016
Gemcitabine	26	19	47	-	-
Methotrexate	18	6	131	August 2019	-
Pemetrexed	14	0	50	July 2016	October 2015
Cytarabine	18	4	39	-	-

Molecule	Drug Master Files filed	Certificates of Suitability	Finished Dosage Form	Patents and Exclusivities	
				First Patent Expiry	First Exclusivity Expiry
Daunorubicin	1	0	2	-	-
Etoposide	10	6	49	-	-
Irinotecan	3	0	69	April 2020	October 2018
Topotecan	10	0	42	December 2024	
Epirubicin	8	8	61	-	-
Doxorubicin	13	11	86	-	-
Oxaliplatin	25	27	80	August 2015	-
Cisplatin	13	13	29	-	-
Carboplatin	18	18	43	-	-
Vinorelbine	13	7	22	-	-
Imatinib	28	1	75	July 2015	-

(Source: Oncology Report)

Chemotherapy API market

The following table sets forth the actual and projected volume and value details of certain molecules :

Molecule	2015 Volume (in Kgs)	2015 Value (in USD million)	2015-2021 Volume CAGR (%)	2015-2021 Value CAGR (%)
Docetaxel	406.3	64.6	7.0	5.5
Irinotecan	566.5	62.3	10.4	9.8
Capecitabine	129,744.3	51.9	6.6	4.2
Paclitaxel	1,168.1	46.2	13.5	12.5
Gemcitabine	7,423.0	33.4	4.6	2.0
Pemetrexed	1,004.6	27.1	13.8	12.9
Epirubicin	186.6	26.1	2.2	-0.5
Methotrexate	4,779.8	19.1	8.6	7.3
Cisplatin	551.1	17.6	3.3	0.7
Carboplatin	1,734.3	17.6	6.0	3.7
Vinorelbine	82.1	10.5	-1.3	-5.5
Doxorubicin	217.2	8.3	2.0	-0.6
Oxaliplatin	651.7	8.3	7.4	5.9
Etoposide	798.6	6.4	0.9	-1.3
Cytarabine	2,841.5	5.0	-0.1	-2.7
Vincristine	4.0	2.8	-2.7	-7.0
Topotecan	1.9	1.5	-17.4	-21.1
Daunorubicin	17.4	0.63	5.3	2.3
Imatinib	20421	51.1	4.3	4.3

(Source: Oncology Report)

Key Competitors

The Oncology API market is a low-in-volume and high-in-value market. This market is also characterized by complexity of manufacturing and limited number of suppliers. Some of the key suppliers in the API market include ScinoPharm, Shilpa Medicare and MSN Laboratories. Out of these companies, it is estimated that ScinoPharm holds a lion's share of the market by value for Irinotecan (approx. 50%), Paclitaxel (approx. 35%) and Docetaxel (approx. 25%). The company has 29 DMFs filed in USA for Oncology products.

Similarly, Shilpa Medicare also has a range of Oncology products which range from adjuvant therapies like Anastrozole to core chemo molecules like Docetaxel, Gemcitabine, Paclitaxel and also targeted chemo agents like Imatinib, Erlotinib and Gefitinib etc.

MSN also has a good portfolio of about 8-9 Oncology APIs.

(Source: Oncology Report)

Conclusion

Amongst all pharmaceutical therapeutic areas, oncology is the largest therapeutic area globally. It was estimated to be worth US\$110 billion and the United States and the five EU countries of Germany, Britain, France, Spain and Italy accounted for around 65% of the value market share in 2015. The United States and these five EU markets have an upper hand in terms of value, while the RoW market continues to dominate the market in terms of volume.

The oncology therapeutic market is characterized by low in volume and high in value products which is on account of the extremely high prices of oncology drugs. This gap is further widened by the fact that the prices of the drugs are on average ten times higher in the developed world when compared to the RoW. The high prices are either on account of patent exclusivity or a low number of suppliers, an almost cartel like situation, keeping prices high.

The opportunity for Indian and other generic formulators and API manufactures lies in the fact that the majority of these drugs are either off patent or very soon going to lose their patent status, thus opening the market. This is further reinforced by the fact that almost all large pharmaceutical innovators are putting their efforts behind biologic therapies and concurrently removing their focus from the chemo based therapies, thus ever greening of patents for chemo drugs in the developed markets would also not be a phenomenon to be encountered in near future. This leaves the field open for generic players, however this market is small from a volume perspective, and generic manufacturers cannot play the volume game in these markets, quality is a factor which will separate the leaders from the laggards in this therapy in particular.

The United States is the biggest market for chemotherapy drugs followed by the five EU countries, which together account for approximately 65% of the chemotherapy market share. This growth is primarily driven by an increasing incidence of cancer, diagnostic advancements and increased access to medicines. There is a high probability of a significant number of generic players to enter this lucrative market in the near future, resulting in a significant drop in prices. The entry of generic players will also open up new opportunities for Indian formulators and the growing formulations business will result in significant upside for API manufacturers such as Laurus Labs Limited.

Docetaxel and Irinotecan are expected to have significant growth in the chemotherapy market globally. This growth is primarily due to their wide range of usage. These molecules have in different cancer types, both as a monotherapy and combination therapy. Though it is expected that the growth of the chemotherapy market will be impacted by the developments in the biologic and targeted therapies, especially in the developed world where there is a high uptake of biologics, the chemotherapy market will not see a decline and will continue to be stable in the near future. This is mainly due to the fact that these drugs will continue to be used as adjunctive therapies (combination therapies for various cancer types) along with biologic and targeted therapies in developed markets.

Some of the existing chemotherapy drugs have already lost their patents and some will loose patents in the next few years. The most innovative companies are currently trying to widen the scope of existing chemotherapeutic agents for multiple cancer types and the research is restricted with respect to the biologic and targeted therapies. Since there are few chemotherapy drugs in the pipeline, there is little chance for a new chemotherapy agent to make an existing drug redundant. Thus, Indian formulators and API companies like Laurus Labs Limited who already have established their foot print in the chemotherapy segment will have an added advantage of participating in a sustainable market on a long-term basis.

Having an established manufacturing facility compliant with the regulatory requirements and in-house oncology expertise in place, Laurus Labs Limited is uniquely positioned to capitalise on the high value opportunity in the

regulated market.

(Source: Oncology Report)

Contract Research and Manufacturing Services

Overview

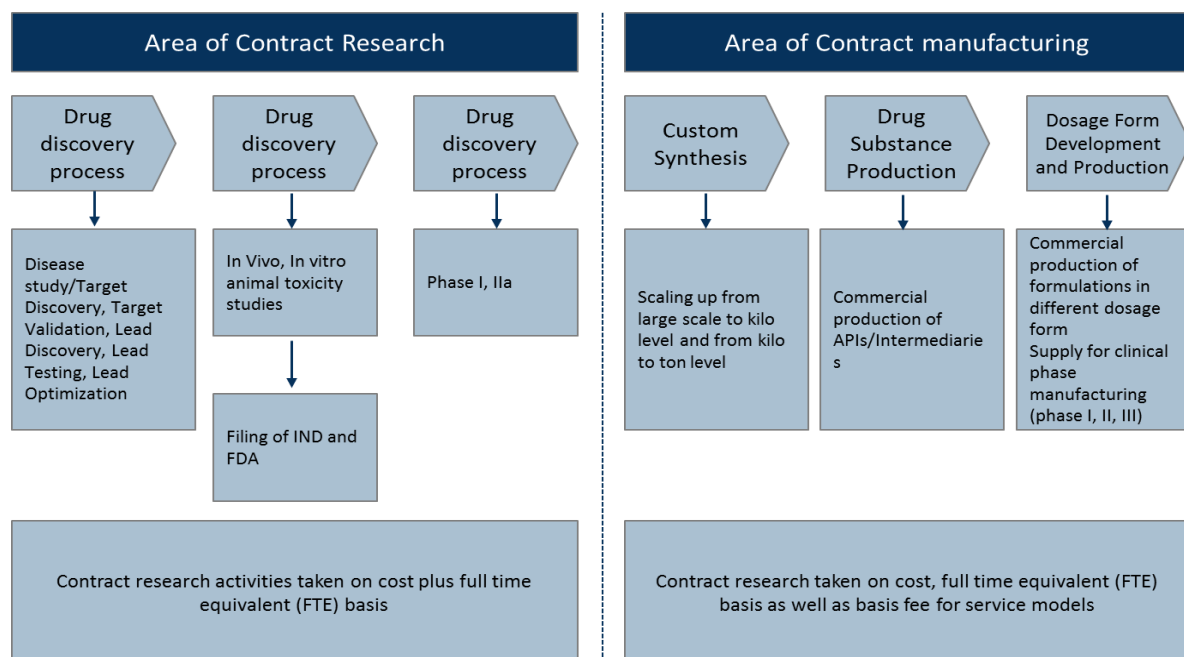
Contract research and manufacturing services (“CRAMS”) is one of the fastest growing sectors in the pharmaceutical and biotechnology industry. Companies that provide these contract services conduct research and manufacture drugs under licenses from pharmaceutical giants.

Top multinational pharmaceutical companies like Pfizer, Merck, GSK, Sanofi Aventis, Novartis, are looking to outsource manufacturing of APIs and intermediaries to Indian companies mainly due to the cost advantage. In order to en-cash this opportunity, many Indian companies have started undertaking contract manufacturing of APIs, thereby widening their revenue stream.

Indian Contract Manufacturing Market Value Chain

- **Custom Synthesis:** Scaling up from large scale to kilo level and from kilo level to ton level,
- **Drug Substance Production:** Commercial production of APIs/Intermediaries,
- **Dosage Form Development and production:** Commercial production of formulations in different dosage form.

CRAMS in the Value Chain:



CRAMS Market Segmentation:

In 2015 the global CRAMS market was estimated to be around US\$80-90 billion, of which contract manufacturing constituted around 60-65% and contract research about 35-40%. The global CRAMS market has witnessed a growth of around 14-15% in the last five years and is expected to grow at the same pace in the short to mid-term (3-5 years), driven by cost considerations and significant drugs getting off patent.

The Indian CRAMS market was estimated to be approximately US\$7.5-7.75 billion in 2015 and majority of revenues, i.e. 80-85% came from contract manufacturing. Unlike the global market, the Indian market has witnessed a much higher growth to the tune of 30-35% in the past couple of years. However, going forward the

market is expected to witness lower growth at around 18-22%, which still would be higher than the global average. Chemical synthesis is the major contributor to market revenue, followed by formulations and packaging.

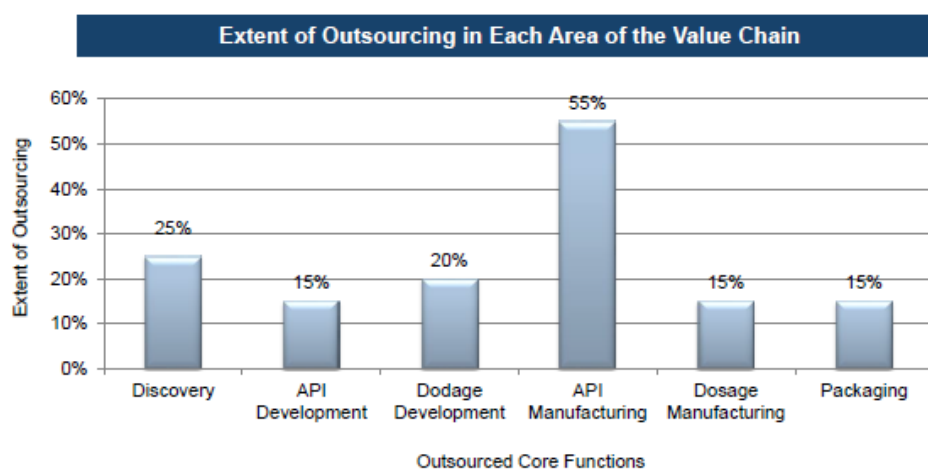
The Indian APIs and intermediates contract manufacturing segment was worth US\$4.8-5.0 billion in 2015 and is expected to reach US\$12-13 billion by 2020, growing at a CAGR of 20-21% from 2015 to 2020. In 2015, APIs and intermediates accounted for about 64% by revenue of the contract manufacturing segment.

The contract research segment, which was valued at US\$900-1000 million in 2015, witnessed strong growth driven by chemistry capabilities, skilled manpower and cost value proposition. In 2015, 50-60 percent of the clients availing of the services of contract research organizations were medium-size (revenue less than \$10 billion) pharmaceutical MNCs. Approximately 34 percent of the companies were large (revenue more than \$10 billion) pharmaceutical MNCs in the same year and biotechnology companies comprised 6-7% of the clients in 2015.

Outsourcing Trends:

API manufacturing involves the highest extent of outsourcing at about 55%. Though outsourcing of drug discovery and development activities and dosage manufacturing is low, the scope of growth for outsourcing these core functions is also high as integrated CRAMS participants emerge and build entrenched relationships with pharmaceutical MNCs.

The following chart depicts the extent of outsourcing in each area of the value chain:



Customer expectations while outsourcing

Customers look for the following factors while taking a decision related to outsourcing of contract research and contract manufacturing.

- Alignment of the processes with the best in class global regulatory norms i.e. USFDA/MHRA,
- Proven cost advantage,
- Expertise in chemistry and ability to scale up operations from labs scale to kilo Scale to tonnes Scale in a short duration of time,
- Skilled manpower that has the ability to understand and optimize the processes in a short span of time,
- Infrastructure, which is at par with the global norms,
- Ability to offer full scale services,
- Ability to work on different business models which are:
 - Royalty milestone based,

- Co-development,
- In-Licensing, and
- Out-Licensing.

Indian CRAMS companies are also working towards Built Operate Transfer (“**BOT**”) models and Build Operate (“**BO**”) models. Companies which provide integrated drug development and research and manufacturing outsourcing services tend to be more favoured by the customers than companies offering piecemeal solutions.

India is currently preferred over China due to the following factors:

- Large pool of qualified and experienced manpower with strong chemistry skills,
- Low-cost manufacturing capability and high quality standards,
- Larger number of U.S. FDA-approved plants,
- Large English-speaking population,
- Greater quantity of DMF filings,
- Higher up the value chain in terms of supplier status, that is China is only known as a major supplier of low-end intermediates and APIs, and
- TRIPS-compliant product patent regime, which not only acknowledges the IP right, but also upholds it.

Conclusion

India’s share of pharmaceutical contract manufacturing represents only a fraction (about 7-8%) of the global contract manufacturing revenue. The Indian contract manufacturing market is continuing to witness strong growth driven by the rising cost pressure on global pharmaceutical giants, with research and development productivity touching the decade’s low and losses incurred due to patent expiries of blockbuster drugs.

Indian market participants have developed chemistry skills which are of global standards. India has a strong presence in the API contract manufacturing segment globally, and many companies have started supplying APIs for NCEs. In the last five years, Indian participants have been able to gain the confidence of global pharmaceutical companies for their manufacturing capabilities and services. Indian companies are also gaining a strong foothold in contract manufacturing of APIs and intermediates for NCEs. During the forecast period, the Indian companies are anticipated not only to consolidate their existing position, but also to enter into development and supply arrangements with sponsor companies.

Contract work outsourced to India has evolved from low-end research activities to more value-added, high-end research. Reputation for research quality and thoroughness, speedy project completion and strong client relationships are key to developing strong research partnerships. Outsourcing of non-core activities such as manufacturing of intermediates and APIs to low-cost destinations such as India is gaining momentum for pharmaceutical MNCs as they focus on their core research and development and brand building business.

Overall, the outlook for Indian CRAMS appears to be healthy, supported by increasing outsourcing of manufacturing and high-end research activities.

Nutraceuticals

Overview

Nutraceuticals are products that provide health and medicinal benefits, including the prevention and treatment of diseases in addition to the basic nutritional value found in foodstuff. Nutraceuticals are particularly of interest to the present generation because they have the potential to substantially reduce the expensive, high-tech, disease treatment approaches presently being employed in Western healthcare. Primarily used in functional foods and dietary supplements, nutraceutical ingredients are natural bioactive, chemical compounds that have health promoting, disease preventing or medicinal properties.

Although the term nutraceuticals is in vogue, there is no universally accepted definition of the term. Broadly

put, nutraceuticals can be defined as foods or food-derived substances in extracted form, which claim to provide medicinal and health benefits. In fact, the term is so broad that functional foods/beverages, dietary supplements, and any other type of food that provides health benefits fit into the nutraceutical category. However, the term becomes too broad and needs to be differentiated.

Nutraceutical Market

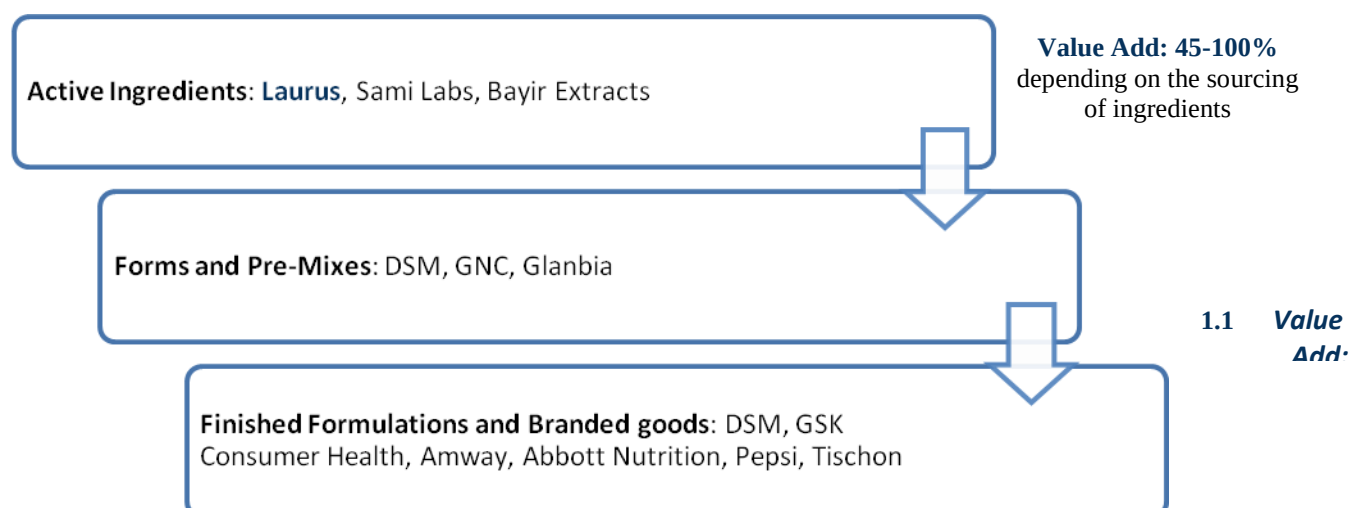
The industry grew at a rate of 14-15% between 2002-2010. It has been projected that the global nutraceuticals market might reach over US\$290 billion by 2020 from US\$200 billion in 2015, growing at a CAGR of about 8%.

The industry is expected to exhibit an annual average growth of 7.5-8.5 % till 2020 mainly driven by growth from India, China, South East Asia and Brazil.

The largest market for nutraceuticals is in the USA, followed by Asia-Pacific and lastly by the European Union. Functional food is the fastest growing segment in the US nutraceuticals market. In the Asia Pacific region, Japan has about 14% share, China around 10% and India accounts for only 1.5% share of the global market.

The Supply Chain for Nutraceuticals

Figure showing the typical supply-chain for Nutraceuticals



2. Key players in the segment

DSM Nutraceuticals:

Global revenues from the Human Nutrition and Health business segment for DSM in 2015 were about US\$2.07 billion in 2015, contributing to over 37% of the global sales in that year. The company has a wide range of dietary supplements including vitamins, carotenoids, prebiotics, probiotics, and enzymes. DSM is an integrated player (merchant and captive), present throughout the supply chain from pure actives to finished formulations and branded goods.

Frutarom:

Frutarom is a global flavor and fine ingredients company with sales of over US\$872 million generated in 2015. The company manufactures and markets a wide range of flavor extracts, aroma chemicals, essential oils, etc. to customers in a range of industries: food, beverage, flavor, fragrance, pharmaceutical, nutraceutical, food additive, and cosmetics.

Naturex:

Global sales from various business segments of Naturex in 2015 was about US\$434.7 million, or 397.8 million euros. The key business units of Naturex include personal care units, food and beverages units, and nutrition and health units which have a unique range of fruit, vegetable and super food powders which preserve the integrity of raw materials, natural excipients for pharmaceuticals, purified substances etc.. The nutrition and health unit contributed to 31% of the global revenues in 2015.

Conclusion

The nutraceutical market is likely to remain in a growth phase driven by emerging nutraceutical markets such as US, India, China and Brazil.

The US market participants are currently focused on diversifying their product offering to gain greater penetration amongst the Gen X and Gen Y population after having almost exhausted the baby boomer population.

In Europe, however, the focus is more on innovation, research and development. The European market is also looking to consolidate and organize itself.

Globally the market is undergoing consolidation, with European companies looking to dominate the global nutraceutical market, which can be seen from their synergistic acquisitions worldwide.

Since nutraceuticals are used in food and food products, companies are increasingly implementing stringent quality standards similar to that of pharmaceutical industry.

India is currently a nascent market for nutraceuticals, without a concrete business model in place. Both MNCs as well as domestic companies in the pharmaceutical and food and beverages space have tested the market with a variety of launches, with some success. This has resulted in increased product launches in the recent past.

However, in terms of ingredients, especially in the case of plant extracts and phytochemicals, Indian companies have entrenched their place as suppliers, both locally as well as globally.

OUR BUSINESS

The Company did not have any subsidiary during financial years 2012 and 2013 and therefore, the financial data for such years reflects the financial position of the Company on a standalone basis.

Overview

We are a leading research and development (“**R&D**”) driven pharmaceutical company in India, with a leadership position in generic active pharmaceutical ingredients (“**APIs**”) for select, high-growth therapeutic areas of anti-retrovirals (“**ARVs**”) and Hepatitis C. (Source: Frost & Sullivan Report) We also manufacture APIs in oncology and other therapeutic areas. Our strategic and early investments in R&D and manufacturing infrastructure have enabled us to become one of the leading suppliers of APIs in the ARV therapeutic area to multi-national pharmaceutical formulation companies which cater to the large and fast-growing “donor-funded access-to-medicines markets” of Sub-Saharan Africa, South-East Asia and Latin America. During the financial year 2016, we sold our APIs in 32 countries. We also have growing synthesis and nutraceutical/cosmeceutical ingredients businesses. Further, we are increasingly focused towards growing our integrated generics finished dosage forms (“**FDFs**”) business in which we have made significant investments over the last two financial years.

We operate in four business lines: Generics – APIs, Generics – FDFs, Synthesis and Ingredients. Our Generics – API business comprises the development, manufacture and sale of APIs and advanced intermediates; our Generics – FDF business comprises the development and manufacture of oral solid formulations; our Synthesis business includes contract development and manufacturing services for global pharmaceutical companies; and our Ingredients business comprises the manufacture and sale of specialty ingredients for use in the nutraceutical and cosmeceutical sectors. We have launched 59 products since our inception in 2005. Our key customers include Aspen Pharmacare Limited, Aurobindo Pharma Limited, Cipla Limited, Mylan Laboratories Limited, NATCO Pharma Limited (“**NATCO**”) and Strides Shasun Limited. For the financial year 2016, nine out of the 10 largest generic pharmaceutical companies in the world, by revenue, were our customers.

We believe our “research-first” approach has been critical to our success and a differentiating factor from our competitors. We set-up our first dedicated R&D center in Hyderabad, Telangana in 2006. We initially focused on research in the Oncology and ARV API areas and after making progress in R&D we commissioned our first API manufacturing facility in 2007. Our kilo lab at our R&D center at Hyderabad has received approvals from the United States Food and Drug Administration (“**US FDA**”), Pharmaceuticals and Medical Devices Agency (“**PMDA**”) of Japan and the Korea Food and Drug Administration (“**KFDA**”). We have also set up a R&D center in Greater Boston, United States in 2015. As of June 30, 2016, we employed 587 scientists at our R&D center in Hyderabad and 12 scientists at our R&D centre in Greater Boston, which constituted 25.0% of our total employee strength. The Company spent ₹906.52 million, ₹586.49 million and ₹424.40 million towards our R&D activities during the financial years 2016, 2015 and 2014, or 5.1%, 4.3% and 3.6% of our total revenues in such periods, respectively.

We are currently in the process of expanding our R&D center in Hyderabad and setting up another R&D center in Visakhapatnam, Andhra Pradesh. We believe that our systematic approach to selection of molecules, which involves evaluation of technical and commercial feasibility data, and customer feedback is evident from our high proportion of active Drug Master Files (“**DMFs**”), with the commercialization of 30 out of the 37 filed DMFs, as of June 30, 2016. As of June 30, 2016, the Company owned 32 patents and had 150 pending patent applications, in several countries.

We are committed to making continued investments to improve our manufacturing process efficiencies and backward integration strategy to maintain our cost competitiveness in our key products. We currently operate three manufacturing facilities in Visakhapatnam, Andhra Pradesh. Two of our facilities manufacture APIs and ingredients, while our third facility is for the manufacturing of APIs and FDFs. As of June 30, 2016, our operational manufacturing facilities have 435 reactors and an aggregate reactor volume of 1,833.6 KL. We also have a kilo lab near Hyderabad, Telangana. We are also in the process of setting up two additional manufacturing facilities, one for potent APIs (expected to commence operations by December 31, 2016) and the other for APIs, intermediates and ingredients (expected to commence construction during the financial year 2017). Post our planned expansion, our aggregate reactor volume will increase to 2,095.6 KL during the financial year 2017. Our manufacturing facilities have received one or more approvals from World Health

Organization (“WHO”), US FDA, National Institute of Pharmacy Hungary (“NIP Hungary”), PMDA, KFDA or the Federal Institute for Drugs and Medical Devices (“BfArM”) of Germany. WHO and US FDA successfully conducted their last inspection at two of our facilities in Visakhapatnam in April 2015 and US FDA successfully conducted its last inspection at our kilo lab at Hyderabad in June 2016. We believe we have adopted uniform manufacturing standards across all our facilities to achieve standardized quality for all our markets.

Among our Promoters, Dr. Satyanarayana Chava, Dr. Raju Srihari Kalidindi and Ravi Kumar V V have extensive experience in the pharmaceutical industry. Our shareholders include marquee investors such as Bluewater (belonging to the Warburg Pincus group), FIL Capital Management (part of Eight Roads Ventures, which was earlier known as Fidelity Growth Partners) and Aptuit (belonging to Welsh Carson Anderson & Stowe). Dr. Satyanarayana Chava was featured on the cover page of the September 2015 publication of Forbes India and our Company was recognized as one of the 13 hidden gems of India in that publication. We have received several awards including the ‘Health Care Company of the Year’ at the VC Circle Awards 2015, ‘The Silver Certificate of Merit’ at the Economic Times India Manufacturing Excellence Awards 2014 and 2013, and the Silver Certificate of Merit at the India Manufacturing Excellence Awards, 2015, and the ‘Best Company in Emerging Markets’ by Scrip magazine in 2012. The Government of India also awarded us the Vishwakarma Rashtriya Puraskar and National Safety Award in 2016 and 2014.

For the financial years 2016, 2015 and 2014, our total revenues were ₹17,913.65 million, ₹13,606.61 million and ₹11,685.34 million, respectively. Our total revenues, on a standalone basis, which were ₹4,523.07 million for the financial year 2012, grew at a CAGR of 41.0% between the financial years 2012 and 2016. For the financial years 2016, 2015, and 2014, our restated profit for the year was ₹1,326.51 million, ₹683.69 million and ₹972.17 million, respectively. Our restated profit, on a standalone basis, which was ₹215.77 million for the financial year 2012, grew at a CAGR of 60.6% between the financial years 2012 and 2016.

Strengths

Leadership in APIs in Select, High Growth Therapeutic Areas

We are a leading developer and manufacturer of generic APIs in select, high-growth therapeutic areas of ARV and Hepatitis C. (Source: Frost & Sullivan Report) We also manufacture APIs in oncology and other therapeutic areas. We are also a leading, independent supplier of APIs in the ARV therapeutic area to formulation companies catering to the large and fast-growing “donor-funded access-to-medicines” markets in low and middle-income countries of Sub-Saharan Africa, South-East Asia and Latin America. At the end of 2015, approximately 17 million people living with HIV were receiving ARV therapy globally and as countries continue to adopt the current WHO guidelines for treatment, approximately 23.5 million people are projected to be on ARV therapy by 2018, comprising approximately 22 million adults and approximately 1.4 million children. Further, with the change in WHO guidelines to initiate treatment earlier to all patients with HIV, regardless of their age and viral load, and Tenofovir Disoproxil Fumarate (“TDF”) / Lamivudine (“3TC”) (or Emtricitabine (“FTC”)) / Efavirenz (“EFV”) being the preferred first line treatment option for adults, pregnant and breast feeding women and adolescents, the market for this regimen will significantly grow. (Source: ARV Report) Our key products for ARV therapy include EFV, TDF, 3TC and FTC. We are well positioned to capitalize on the ARV API opportunity as a result of our portfolio and scale of operations. Further, we believe that we are favorably positioned to benefit from the near term patent expiry of ARV drugs in the regulated markets of US and Europe. (Source: ARV Report)

According to the WHO, it has been estimated that there are around 170 to 185 million people in the world chronically infected with Hepatitis C and between two and four million new cases of Hepatitis C are added every year. Of these, approximately 12 to 18 million people are infected with Hepatitis C in India. (Source: Hepatitis C Report) We have contracted with NATCO, for the manufacture and sale of Hepatitis C APIs comprising Sofosbuvir, Ledipasvir, Daclatasvir and Velpatasvir. We have a portfolio of products in the Oncology therapeutic area, a market which is expected to grow steadily at 7% to 8% between 2015 and 2020 to reach a value of US\$152 billion in 2020. (Source: Oncology Report) As of June 30, 2016, our Oncology portfolio consists of 15 active DMFs and we supply Oncology APIs to global generic multinational pharmaceutical companies.

Strong R&D Capabilities and Process Chemistry Skills

We believe our “research-first” approach has been critical to our success and a differentiating factor from our competitors. We are focused on undertaking dedicated R&D in our existing products and in areas where we believe there is significant growth potential. We believe that our systematic approach to selection of molecules, which involves evaluation of technical and commercial feasibility data, and customer feedback, is evident from our high proportion of active DMFs, with the commercialization of 30 out of the 37 filed DMFs, as of June 30, 2016. As of June 30, 2016, the Company owned 32 patents and had 150 pending patent applications, in several countries, and have commercialized 59 products since our inception. The Company’s total expenditure for R&D activities, including for product development costs, was ₹906.52 million for the financial year 2016 compared to ₹586.49 million for the financial year 2015 and ₹424.40 million for the financial year 2014. As of June 30, 2016, we employed 599 scientists at our R&D centers, which constituted 25.0% of our total employee strength.

In April 2014, we implemented electronic lab notebook software at our R&D center in Hyderabad for recording experimental data which enables online access and improves the efficiency of our R&D efforts. We believe that our R&D efforts have led, and will continue to lead, to new, innovative processes that can increase the efficiencies of our existing products as well as address new opportunities that we have identified in the global market for our businesses.

We believe that our superior process chemistry skills and cost effective process optimization have led to new synthetic routes and product variants, and have given us market leadership for our key products in the ARV, Oncology and Hepatitis C therapeutic areas.

Industry Leading, Modern and Regulatory Compliant Manufacturing Capacities

We have three manufacturing facilities in Visakhapatnam and a kilo lab facility in Hyderabad, which have received one or more approvals from WHO, US FDA, PMDA, NIP Hungary, KFDA or BfArM. We believe quality is a key differentiator in our business and have made strong efforts to adopt uniform manufacturing standards across all our facilities and to achieve standardized product quality for all our markets. In order to meet the growing demand for our products, we have increased the aggregate reactor volume of our facilities to 1,833.6 KL, as of June 30, 2016. Post our planned expansion, our aggregate reactor volume will increase to 2,095.6 KL during the financial year 2017. We believe that our significant investment in enhancing our manufacturing capabilities has also resulted in economies of scale and helped us in consistently gaining market share in an expanding market for our key ARV APIs. We believe our manufacturing facilities are capable of large scale commercial production of APIs enabling us to position ourselves as suppliers of choice for pharmaceutical companies seeking to leverage our technical expertise, cost effective manufacturing and capacities. We are further building on our API strengths to forward integrate into FDF. As of March 31, 2016, we had invested ₹2,013.66 million to set up an FDF manufacturing facility, which has a current capacity of 1 billion tablets per year and have civil infrastructure in place which could increase our manufacturing capacity at this facility to 5 billion tablets per year, after incurring additional investments.

Long-standing Relationships with Multi-National Pharmaceutical Companies

We have maintained long-standing relationships with multi-national pharmaceutical companies. Our top five customers have been with us for at least five years and these customers, in aggregate, contributed to approximately 67.8% of our total revenue and our cumulative revenue from such customers has grown year over year for the last three financial years. Further, we believe that our unique position as a preferred supplier of APIs to several major participants in the tender driven ARV markets insulates us from the wins and losses of our customers and significantly hedges us against revenue volatility. Our Oncology and other products are supplied to the US and European markets, where we believe our product quality, regulatory compliant manufacturing and customer relationships have helped us to strengthen our competitive position.

Experienced Promoters and Qualified Operational Personnel

We are led by qualified and experienced Promoters and key managerial personnel, who we believe have extensive knowledge and understanding of the global generic pharmaceutical business environment and have the expertise and vision to organically scale up our business. We believe that the knowledge and experience of our senior and middle-level management team members in the pharmaceutical business provides us with a significant competitive advantage as we seek to grow our business. Our core managerial team has an average pharmaceutical industry experience of more than 20 years and almost all of them have been associated with our

Company since our formative years. For further details of our key managerial personnel, see “Our Management” on page 196.

Our founder, one of our Promoters and our Chief Executive Officer, Dr. Satyanarayana Chava has been associated with the pharmaceutical industry for the past 23 years, especially in areas of R&D, technical operations, business development and organization building. Dr. Satyanarayana Chava has been determined as inventor in 103 patents granted or patent applications filed. He was featured on the cover page of September 2015 issue of Forbes India. Dr. Raju Srihari Kalidindi, who is also a Promoter of our Company, has 23 years of experience in the pharmaceutical industry and his areas of expertise include R&D, operations, regulatory affairs, sourcing and business development. Dr. Raju Srihari Kalidindi has been determined as inventor in 11 patents granted or patent applications filed across the world. Another one of our Promoters and our Chief Financial Officer, Ravi Kumar V V has over 25 years of experience in finance, IT, human resources and supply chain areas. Dr. Lakshmana Rao C V, also a promoter, has over 13 years of experience in quality control, quality assurance and regulatory affairs. Each of them has been instrumental in formulating and executing the core strategy of our Company.

Established Track Record of Delivering Growth

Our Company was incorporated in 2005, and we have delivered consistent growth over the last five financial years both in terms of financial and operational metrics. Our total revenues, on a standalone basis, have grown at a CAGR of 41.0% from ₹4,523.07 million for the financial year 2012 to ₹17,884.15 million for the financial year 2016 and our restated profit for the year, on a standalone basis, has grown at a CAGR of 60.6% from ₹215.77 million for the financial year 2012 to ₹1,435.68 million for the financial year 2016.

Strategy

Capitalize on Our Leadership Position in APIs in Select, High-Growth Therapeutic Areas

We are particularly focused on growing our presence in our key therapeutic areas, comprising ARV, Hepatitis C and Oncology. We have built a leadership position in the manufacturing of APIs in the ARV therapeutic area and believe that there are significant growth opportunities in this area as a result of expected increase in the HIV patient pool with the current WHO guidelines recommending initiating early treatment for infected HIV patients, regardless of age and viral load. At the end of 2015, approximately 17 million people were receiving antiretroviral therapy of the total 36.7 million people living with HIV globally, representing approximately 46% of the total HIV population. It is estimated that approximately 54% of people living with HIV do not have any access to HIV treatment which presents significant growth opportunity for generic drug manufacturers. (Source: ARV Report) In addition, many of the APIs in our current ARV portfolio for donor funded markets will bring significant near term opportunities for the US and European markets after the relevant patents expire in these markets.

According to the WHO, it has been estimated that there are around 170 to 185 million people in the world chronically infected with Hepatitis C and between two and four million new cases of Hepatitis C are added every year. (Source: Hepatitis C Report) The latest direct acting anti-viral drugs (“DAAs”), such as Sofosbuvir, Daclatasvir and the combination of Ledipasvir and Sofosbuvir (Harvoni) have brought about a significant change in the treatment and cure of Hepatitis C. (Source: Frost & Sullivan Report) Our Company has entered into a long-term license agreement with Gilead Sciences Ireland UC to manufacture and sell Sofosbuvir, Ledipasvir and Velpatasvir within specified jurisdictions. Our Company has also entered into a tripartite sublicense and technology transfer agreement with Bristol-Myers Squibb Company and the Medicines Patent Pool Foundation for the manufacture and sale of Daclatasvir for ultimate use in specified jurisdictions. Our Company has entered into an arrangement to manufacture and sell Hepatitis C APIs with NATCO, who commands a 38.5% share of the Indian Hepatitis C market, and positions us well to capture growth from higher patient volumes. (Source: Hepatitis C Report) In the Oncology therapeutic area, we are focused on increasing sales of our existing products and commercializing new products. We continually aim to utilize advanced technologies to bring in cost efficiency in existing API products and processes and enhance our product portfolio through investments in R&D.

Expand our API Portfolio

We intend to continue to leverage our process chemistry skills to expand our API product portfolio. We have developed several products in the anti-diabetic, cardio vascular and gastroenterology therapeutic areas and are currently in the process of setting up dedicated capacities to manufacture products in these therapeutic areas at our Unit 3 manufacturing facility. We believe that our regulatory compliant manufacturing facilities are attracting global generic pharmaceutical companies to engage us for the contract manufacturing of generic APIs. We currently have four customer contracts for manufacturing of generic APIs.

Leverage API Cost Advantage for Forward Integration into Generic Finished Dosage Formulation

We are further building on our API strengths to forward integrate and become a leading FDF player in the global generic pharmaceutical market. We believe that our presence in API production improves our ability to maintain quality and mitigates the demand-supply fluctuations that affect generics markets thereby providing for consistency and reliability of supply in an increasingly regulated global environment. As of March 31, 2016, the Company had spent ₹906.52 million towards our R&D activities and ₹2,013.66 million to set up a FDF manufacturing facility and intend to further increase our R&D and manufacturing capacities and expertise in development, manufacture and sale of oral solid formulations, which we believe offers significant growth opportunities in ARVs, Anti-diabetic, Cardio Vascular and Hepatitis C therapeutic areas. As of March 31, 2016, we had spent ₹191.03 million towards product development expenses in our FDF business. Our API production presence at the same location will be key to the growth of our FDF business and allows us to capture significant operating efficiencies. We intend to file and market our own registrations in the US and European markets and also collaborate with generic companies having front end presence for the sale and marketing of our FDF products. We have recently filed one dossier with WHO and an ANDA application in the United States. We currently have contracts with generic pharmaceutical companies such as Citron Pharma LLC (“**Citron**”), NATCO and Dr. Reddy’s Laboratories Limited for the development of finished dosage products in the several therapeutic area on a profit and cost sharing basis.

Develop Our Synthesis Business

We leverage our strong process chemistry skills to provide synthesis services. As part of our synthesis business, we work with global pharmaceutical companies for providing analytical and research services, clinical research supplies and commercial scale contract manufacturing services. We also intend to provide services to some of our partners to improve process efficiency during the clinical phase of development. During the financial year 2015, we established our wholly owned subsidiary in the United States, Laurus Synthesis Inc., to directly offer process chemistry services to US clients. With a view to develop our pipeline for clinical phase manufacturing of new chemical entities and contribute to the supply chain of our customers, we established a presence in Greater Boston, Massachusetts, in 2015 with 12 scientists and four sales personnel who are focused on strengthening our synthesis business. We intend to focus more on the supply of key starting materials and intermediates for new chemical entities as the molecules move to Phase III and to a commercial stage, which would result in significant revenue.

Our Company has entered into an intermediate toll manufacturing and supply agreement with an entity in the Aspen Group, pursuant to which our Company manufactures and supplies certain hormonal intermediates to such entity. We have set up a dedicated manufacturing block at our Unit 1 manufacturing facility for this purpose. We are also in the process of setting up Unit 5 as a dedicated manufacturing block to manufacture and supply products exclusively to the Aspen Group. Our Unit 5 is expected to commence operations by December 31, 2016.

Strengthen Our Ingredients Business

We currently develop and manufacture specialty ingredients for use in nutraceutical, dietary supplements and cosmeceutical products. The nutraceutical and cosmeceutical sectors are undergoing consolidation globally and implementing quality standards similar to that of the pharmaceutical industry. Because of the implementation of such quality standards, we intend to leverage our strong process chemistry skills to strengthen our presence in the nutraceutical and cosmeceuticals sectors in the manufacture of nature identical substances. Our current portfolio of products are used as anti-oxidants, skin brighteners and UV protection agents. We are also developing capabilities for botanical extraction and purification, to capture the growing market of natural ingredients. We are currently in the process of setting up a separate manufacturing facility to add to our existing capacity for botanical extraction and chemical synthesis.

Description of our Business

We operate in four business lines: Generics – API, Generics – FDF, Synthesis and Ingredients.

Generics – API Business

Our Generics – API business comprises of the development, manufacture and sale of APIs and advanced intermediates in the ARV, Hepatitis C, Oncology, Cardio Vascular, Anti-diabetic, Anti-asthmatic, Gastroenterology and Ophthalmic therapeutic areas. For the financial years 2016, 2015 and 2014, our revenue from our Generics – API business was ₹16,516.84 million, ₹12,533.54 million and ₹10,907.17 million, or 92.2%, 92.1% and 93.3% of our total revenues, respectively.

ARV Therapeutic Area

In the ARV therapeutic area, we supply APIs for the anti-retroviral therapy drugs sold in the donor funded markets of Sub-Saharan Africa, South-East Asia and Latin America. These markets are partially funded or coordinated by multilateral organizations such as The Global Fund, The Joint United Nations Program on HIV/AIDS (“UNAIDS”), The United States President’s Emergency Plan for AIDS Relief (“PEPFAR”), The Clinton Health Access Initiative, Inc. (“CHAI”), WHO and The Medicines Patent Pool (“MPP”). (Source: ARV Report) We are able to supply our products to these regulated markets since our products and manufacturing facilities have received approvals from several international agencies.

Our Company has entered into a tripartite license agreement with Gilead Sciences, Inc. and the MPP Foundation, pursuant to which our Company is licensed to manufacture and sell Tenofovir Alafenamide, TDF, Emtricitabine, Elvitegravir and Cobicistat in specified jurisdictions. Under the terms of this license agreement, our Company is required to make royalty payments on the sale of products in each jurisdiction for a specified duration after which our Company acquires a perpetual royalty free license to sell products within the permissible jurisdictions. Our Company has also entered into a license agreement with the MPP Foundation, pursuant to which our Company is licensed to manufacture and sell Dolutegravir and Abacavir in specified jurisdictions. Under the terms of this license agreement, our Company is required to make royalty payments on the sale of products in certain jurisdictions, while the sale of products in certain other jurisdictions is on a royalty free basis.

We believe that our position as a preferred supplier of APIs to several major pharmaceutical company participants of the tender driven ARV market insulates us from the wins and losses of our customers and significantly hedges us against revenue volatility. In the ARV therapeutic area, we supply APIs to all major global producers of FDFs, including those having their own API manufacturing capabilities. Further, we supply APIs to four of the top five winners of the South Africa tender. (Source: ARV Report)

As of June 30, 2016, our ARV API portfolio, comprised 11 commercialized products, which are:

- Efavirenz (or EFV),
- Tenofovir Disoproxil Fumarate (or TDF),
- Emtricitabine (or FTC),
- Atazanavir (or ATV),
- Darunavir (or DRV),
- Abacavir Sulfate (or ABC),
- Dolutegravir (or DTG),
- Tenofovir Alafenamide (or TAF), and
- Lamivudine (or 3TC).
- Rilpivirine
- Raltegravir

The following table summarizes certain guidelines that have been prescribed by the WHO for the treatment of HIV patients. The products underlined and in bold represent our portfolio:

Population	WHO recommended Preferred First Line Regimen	WHO recommended Alternative First Line Regimen
Adults	<u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + <u>EFV</u>	• AZT + <u>3TC</u> + <u>EFV</u> (or NVP) • <u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + <u>DTG</u> • <u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + <u>EFV400</u> • <u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + NVP
Pregnant/Breastfeeding women	<u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + <u>EFV</u>	• AZT + <u>3TC</u> + <u>EFV</u> (or NVP) • <u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + NVP
Adolescents	<u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + <u>EFV</u>	• AZT + <u>3TC</u> + <u>EFV</u> (or NVP) • <u>TDF</u> (or <u>ABC</u>) + <u>3TC</u> (or <u>FTC</u>) + <u>DTG</u> • <u>TDF</u> (or <u>ABC</u>) + <u>3TC</u> (or <u>FTC</u>) + <u>EFV400</u> • <u>TDF</u> (or <u>ABC</u>) + <u>3TC</u> (or <u>FTC</u>) + NVP
Children (<i>Three years to less than 10 years old</i>)	<u>ABC</u> + <u>3TC</u> + <u>EFV</u>	• <u>ABC</u> + <u>3TC</u> + NVP • AZT + <u>3TC</u> + <u>EFV</u> (or NVP) • <u>TDF</u> + <u>3TC</u> (or <u>FTC</u>) + <u>EFV</u> (OR NVP)
Children (<i>Less than three years old</i>)	<u>ABC</u> (or AZT) + <u>3TC</u> + <u>LPV/r</u>	• <u>ABC</u> (or AZT) + <u>3TC</u> + NVP

NVP refers to Nevirapine and AZT refers to Zidovudine.

(Source: Consolidated Guidelines on the use of Antiretroviral drugs for treating and preventing HIV infection, Second Edition 2016 by WHO (“**WHO Guidelines**”))

A brief description of our key products is set forth below:

Efavirenz is a prescription medicine approved by the US FDA for the treatment of HIV infection and is used in combination with other HIV medicines. It is an anti-HIV drug that reduces the amount of the virus in the body. Anti-HIV drugs such as Efavirenz slow down damage to the immune system and prevent the occurrence of AIDS-defining illnesses. Efavirenz belongs to a class of drugs known as non-nucleoside reverse transcriptase inhibitors (“**NNRTIs**”). The enzyme reverse transcriptase converts single-stranded viral RNA into DNA. Drugs in the NNRTI class stop HIV from replicating within cells by binding near reverse transcriptase’s active site and inhibiting polymerase activity.

Tenofovir Disoproxil Fumarate is a prescription medicine approved by the US FDA for the treatment of HIV infection and is always used in combination with other HIV medicines. It belongs to a class of drugs known as nucleoside reverse transcriptase inhibitors (“**NRTIs**”). NRTIs block an HIV enzyme called reverse transcriptase. By blocking reverse transcriptase, NRTIs prevent HIV from multiplying and can reduce the amount of HIV in the body. Tenofovir Disoproxil Fumarate is also used to treat a certain type of liver infection called chronic hepatitis B infection. It helps to decrease the amount of hepatitis B virus in the body by interfering with virus growth.

Emtricitabine is a prescription medicine approved by the US FDA for the treatment of HIV infection and is always used in combination with other HIV medicines. It belongs to a class of drugs known as NRTIs. NRTIs block an HIV enzyme called reverse transcriptase. By blocking reverse transcriptase, NRTIs prevent HIV from multiplying and can reduce the amount of HIV in the body.

Further, the US FDA has approved Atripla tablets which are a fixed-dose combination of three widely-used ARV drugs, in a single tablet taken once a day, alone or in combination with other antiretroviral products for the

treatment of HIV-1 infection in adults. Atripla, the first one-pill, once-a-day product to treat HIV/AIDS, combines the active ingredients of Efavirenz, Tenofovir Disoproxil Fumarate and Emtricitabine.

The following table sets forth the volume of APIs that we sold in the ARV therapeutic area during the last three financial years:

Our Products	Financial year 2016 (MT)	Financial year 2015 (MT)	Financial year 2014 (MT)
Efavirenz and its intermediates	1,182.95	933.24	848.41
Tenofovir Disoproxil Fumarate and its intermediates	328.36	272.08	174.99
Emtricitabine	68.77	56.17	52.76
Other ARV products	17.23	5.55	2.87
Total	1,597.31	1,267.04	1,079.03

For the financial years 2016, 2015 and 2014, our revenue from the sale of products in the ARV therapeutic area was ₹12,619.09 million, ₹10,775.55 million and ₹9,302.21 million, or 70.4%, 79.2% and 79.6% of our total revenues, respectively.

Hepatitis C Therapeutic Area

Our Company has entered into a long-term license agreement with Gilead Sciences Ireland UC to manufacture and sell Sofosbuvir, Ledipasvir and Velpatasvir within specified jurisdictions. Under the terms of this license agreement, our Company is required to make royalty payments on the sale of products in each jurisdiction for a specified duration after which our Company acquires a perpetual royalty free license to sell products within the permissible jurisdictions.

Our Company has also entered into a tripartite sublicense and technology transfer agreement with Bristol-Myers Squibb Company and the Medicines Patent Pool Foundation for the manufacture and sale of Daclatasvir for ultimate use in specified jurisdictions. Under the terms of this agreement, our Company has been granted a royalty free license for sale of products which are valid for the term of the patent. After the expiry of the patent, our Company obtains a perpetual royalty free license to sell products within such jurisdictions.

Our Company has entered into an agreement to manufacture and sell Hepatitis C APIs comprising Sofosbuvir, Ledipasvir, Daclatasvir and Velpatasvir to NATCO. Our Company currently manufactures Sofosbuvir, Ledipasvir and Daclatasvir products for NATCO. This agreement is for a period of ten years from the first commercial supply of products and all brands under the agreement will be jointly owned by NATCO and us. NATCO places purchase orders with our Company from time to time, wherein we supply the APIs to NATCO who then makes formulations from the APIs in its own facilities and markets finished dosage forms on its own and to others in the markets / territories voluntarily licensed by Gilead / BMS. Our Company also has a 50:50 profit and loss sharing arrangement, after adjusting all the expenses including sales and marketing expenses, with NATCO pursuant to which we are required to pay NATCO a share of profits on any Hepatitis C APIs sold to third parties and NATCO is required to pay us a share of profits when it sells formulations to third parties. Each party is however, free to sell intermediates without any profit sharing obligations towards the other party under this agreement.

We commenced sales of our products in the Hepatitis C therapeutic area during the financial year 2015. The following table sets forth the volume of products that we sold in the Hepatitis C therapeutic area during the last two financial years:

Our Products	Financial year 2016 (MT)	Financial year 2015 (MT)
Sofosbuvir	7.43	0.06
Daclatasvir	0.58	-
Others	0.28	0.86
Total	8.29	0.92

For the financial years 2016 and 2015, our revenue from the sale of products in the Hepatitis C therapeutic area was ₹1,970.98 million and ₹231.38 million, or 11.0% and 1.7% of our total revenues, respectively.

Oncology Therapeutic Area

In the Oncology therapeutic area, we are focused on the US and European markets, which continue to demonstrate opportunities for generic manufacturers.

Our 18 commercialized products in the Oncology therapeutic area include, among others:

- Gemcitabine,
- Imatinib Mesylate,
- Oxaliplatin,
- Carboplatin, and
- Pemetrexed.

The following table sets forth the volume of products that we sold in the Oncology therapeutic area during the last three financial years:

Key Products	Financial year 2016 (MT)	Financial year 2015 (MT)	Financial year 2014 (MT)
Imatinib Mesylate	1.80	1.93	0.47
Gemcitabine HCl	2.34	1.54	1.67
Others	0.32	0.47	0.51
Total	4.46	3.94	2.65

For the financial years 2016, 2015 and 2014, our revenue from the sale of products in the Oncology therapeutic area was ₹1,413.38 million, ₹1,261.49 million and ₹1,081.64 million, or 7.9%, 9.3% and 9.3% of our total revenues, respectively.

APIs in other therapeutic areas

Our other generic API business is focused on manufacturing large volume APIs for Cardio Vascular, Anti-diabetic, Anti-asthmatic, Gastroenterology therapeutic areas and small volume APIs for the Ophthalmic therapeutic area. Our product portfolio includes Montelukast, Atorvastatin, Esomeprazole, Clopidogrel, Metformin and small volume ophthalmic products including Latanoprost, Bimatoprost and Brimonidine.

For the financial years 2016, 2015 and 2014, our revenue from the sale of other generic APIs was ₹513.39 million, ₹265.12 million and ₹523.33 million, or 2.9%, 1.9% and 4.5% of our total revenues, respectively.

Generics – FDF Business

Our Generics – FDF business comprises the development and manufacture of oral solid formulations. We are building on our API strengths to forward integrate and become a leading FDF player in the global pharmaceutical market. We believe that our R&D capabilities and API production capabilities will be key to the growth of our FDF business and allow us to capture significant operating efficiencies by housing both API and FDF facilities in the same location. We have invested ₹2,390.69 million towards growing our FDF business during the last two financial years, of which, we had invested ₹2,013.66 million, as of March 31, 2016, to set up an FDF manufacturing facility, which has a current capacity of 1 billion tablets per year and have civil infrastructure in place which could increase our manufacturing capacity at this facility to 5 billion tablets per year, after incurring additional investments.

We intend to file our own registrations in the US and European markets and also market them, and also collaborate with generic companies having front end presence for the sale and marketing of our FDF products. We have recently filed one dossier with WHO and an ANDA application in the United States. We have several formulation dossiers under development for the US, Europe and other emerging markets and intend to selectively pursue Paragraph IV filing opportunities in the US.

Our Company has entered into a development, manufacturing and commercialization agreement with Citron, pursuant to which our Company develops and manufactures nine finished dosage form products and Citron places purchase orders with us from time to time. Citron and its affiliates have been appointed as the sole distributors of the products within the United States and are responsible to file, prosecute and maintain the ANDAs for the products in the United States. We have a 50-50 profit and loss sharing arrangement with Citron. This agreement is for a period of 10 years from the first commercial sale of the products and can be renewed for consecutive two year periods. This agreement may be terminated by either party in case of certain events, including in case there is a material breach of the terms of the agreement. Citron also has the right to terminate this agreement on a product specific basis in case of certain events.

We have entered into a strategic partnership with Dr. Reddy's Laboratories Limited for the development of finished dosage products in the ARV therapeutic area on a profit and cost sharing basis.

Through our contractual arrangements with our customers, we intend to develop 21 products in specified therapeutic areas.

Synthesis Business

As part of our Synthesis business, we perform contract development and manufacturing services for global pharmaceutical companies from pre-clinical supplies to commercial scale manufacturing.

During the financial year 2015, we established our wholly owned subsidiary in the United States, Laurus Synthesis Inc., to directly offer our services to US clients. We also established an R&D center in Greater Boston, Massachusetts, in 2015. As of June 30, 2016, this R&D center has a team of 12 scientists and four sales personnel, who are focused on strengthening our synthesis business.

The services offered under our Synthesis business include:

- alternate route development,
- process development,
- process optimization and validation,
- scale up of clinical phase new chemical entities, and
- commercial manufacturing.

Our Company has entered into an intermediate toll manufacturing and supply agreement with an entity in the Aspen Group, pursuant to which our Company manufactures and supplies certain hormonal intermediates to such entity. This agreement is valid for a term of 10 years commencing from the date we first supply products and can be mutually renewed thereafter. As of June 30, 2016, we had manufactured and supplied six products to such entity in the Aspen Group under this agreement. This agreement may be terminated by either party in case of certain events, including in case there is a material breach of the terms of the agreement. Upon the termination of this agreement, we may be required to continue to manufacture and supply products to such entity at a specified price and for a specified duration.

Further, we are setting up a Unit 5 as a dedicated manufacturing block to manufacture and supply products exclusively to the Aspen Group. An entity in the Aspen Group has issued a bank guarantee to facilitate the issuance of a secure term loan of US\$21.00 million for the construction of Unit 5. Our Company has entered into an agreement with such entity for a period of 10 years, commencing from the date we first supply products from Unit 5 to the Aspen Group, which can be renewed for consecutive terms by mutual agreement. The agreement may be terminated by either party in case of certain events, including in case there is a material breach of the terms of the agreement. Upon the termination of our Company's agreement, such entity in the Aspen Group retains exclusive rights to have products manufactured at Unit 5 until the later of the remainder of the 10 year term or the date on which such entity is released from the bank guarantee or any other substitute funding provided to us by such entity. Further, upon the occurrence of certain events, such entity in the Aspen Group can assume physical control and operational management of Unit 5 and put a cash management agreement into effect to hold and apply all payments made to our Company by such entity and administer all revenues and expenses in relation to Unit 5. However, our Company has the option to re-take control of Unit 5 by remedying the breach.

As of March 31, 2016, we had executed a total of 24 projects as part of our synthesis business. Our customers for our synthesis business include US and European pharmaceutical companies.

For the financial years 2016, 2015 and 2014, our revenue from our Synthesis business was ₹835.48 million, ₹477.34 million and ₹200.00 million, or 4.7%, 3.5% and 1.7% of our total revenues, respectively.

Ingredients Business

Our Ingredients business comprises the manufacture and sale of specialty ingredients for use in nutraceutical, dietary supplements and cosmeceutical products. Our Ingredients business allows us to leverage our existing R&D, process chemistry competence and manufacturing capabilities. Our current portfolio of products are used to make anti-oxidants, skin brighteners and UV protection agents. We are also developing capabilities for botanical extraction and purification, to capture the growing shift in the market to natural ingredients.

The key products of our Ingredients business include:

- Pterostilbine (anti-oxidant),
- Resveratrol (anti-oxidant),
- Curcumin (anti-oxidant, anti-inflammatory),
- Pterostilbine caffeine co-crystals (caffeine bioavailability enhancer),
- Hexyl Resorcinol (skin brightening), and
- Bakuchiol (skin brightening).

For the financial years 2016, 2015 and 2014, our revenue from our Ingredients business was ₹465.01 million, ₹255.02 million and ₹373.00 million, or 2.6%, 1.9% and 3.2% of our total revenues, respectively.

Manufacturing Facilities and Approvals

We currently operate a kilo lab and three manufacturing facilities in India. The following table sets forth certain key details of our kilo lab and operational manufacturing facilities as of June 30, 2016:

Unit	Location	Description	Approvals
kilo lab	Plot no. DS1 and DS2, IKP Knowledge Park, Turkapally, Shameerpet, Ranga Reddy District, Hyderabad 500078, Telangana, India	43 reactors and a capacity of 4.6 KL.	US FDA, KFDA and PMDA.
1.	Plot No. 21, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh, India	API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing. 300 reactors with a total capacity of 1,140 KL.	US FDA, WHO-Geneva, NIP Hungary, KFDA and PMDA. The latest successful audit by US FDA and WHO-Geneva was in April 2015.
2.	Plot No. 19, 20, 21, APSEZ, Achutapuram, Visakhapatnam 531 011, Andhra Pradesh, India	FDF and API manufacturing facility. Plant with a capacity of 1 billion tablets/year. API block with 12 reactors and total capacity of 84 KL.	BfArM – Germany. The latest successful audit was in December 2015.
3.	Plot No. 18, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh, India	API manufacturing facility and includes capacity for ingredients, synthesis and contract	US FDA, WHO-Geneva, and EU. The latest successful audit by US

Unit	Location	Description	Approvals
	Pradesh, India	manufacturing. 80 reactors installed with a total capacity of 605 KL which is being expanded to 110 reactors with a total capacity of 729 KL and the expansion is expected to be completed in the quarter ending December 2016.	FDA and WHO-Geneva was in April 2015.

Further, we are currently in the process of setting up two additional manufacturing facilities:

Unit	Location	Description	Status
4.	Plot No 25, 25A to 25K, APSEZ – Denotified Area, Alalamkoduru Village, Rambilli (M), Visakhapatnam, Andhra Pradesh	Nutraceuticals, intermediates and APIs manufacturing facility.	Construction to commence during the financial year 2017.
5.	SEZ at Plot No 102 and 103, Lemarthi Village, Parwada (M), Visakhapatnam 531 021, Andhra Pradesh	API manufacturing facility with planned capacity of 48 reactors with a total capacity of 138 KL dedicated to potent intermediates and APIs.	Expected to commence operations by December 31, 2016.

Production Capacity and Capacity Utilization

The following table sets forth the aggregate production capacity of our manufacturing facilities and the actual production volumes for the last three financial years:

	Financial Year		
	2016	2015	2014
Installed capacity (MT)	4,106	3,608	2,298
Actual production volumes (MT)	2,623	2,534	1,842

Research and Development

We are focused on undertaking dedicated R&D in areas, which we believe, have significant growth potential. We believe that our systematic approach to selection of molecules, which involves evaluation of technical, and commercial feasibility data, and customer feedback has resulted in commercialization of 30 out of the 37 filed DMFs. In addition, as of June 30, 2016, the Company owned 32 patents and had applied for 150 patents, in several countries.

Our research team consists of 599 scientists, which constitutes approximately 25.0% of our total employee strength, as of June 30, 2016. We have set up a dedicated R&D center in Hyderabad, which has been operational since 2006, and our kilo lab at this center has been approved by major regulatory authorities including the US FDA, PMDA and KFDA. The latest successful inspection by the US FDA of our R&D center occurred in June 2016. We are currently in the process of expanding our R&D center in Hyderabad and are in the process of setting up another R&D center in Visakhapatnam, Andhra Pradesh. We have also set up an R&D center in Greater Boston, United States in 2015, and as of June 30, 2016, we employed 12 scientists at this center who are focused on strengthening our synthesis business. Further, our R&D center in Hyderabad is approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology of India (“**DSIR**”) and we have implemented “electronic lab notebook” software to record, integrate, and manage scientific data.

We believe that our R&D has led, and will continue to lead to new, innovative processes that can increase the efficiencies of production including developing cost effective manufacturing processes, as well as address

opportunities that we have identified in the global market for our businesses. The Company has spent ₹906.52 million, ₹586.49 million and ₹424.40 million towards our R&D activities during the financial years 2016, 2015 and 2014, or 5.1%, 4.3% and 3.6% of our total revenues in each period, respectively.

Marketing and Selling Arrangements

While our APIs, intermediates and ingredients are directly sold to pharmaceutical and other companies, in certain cases we utilize the services of selling and marketing agents, to whom we pay a selling commission for their services. As of June 30, 2016, our sales and marketing team comprised 20 personnel who are based across Hyderabad, United States of America and the United Kingdom for sale of our products to pharmaceutical and other companies. We also participate in various international trade shows and exhibitions to promote the sales of our products.

Quality Control and Quality Assurance

We believe we have adopted uniform manufacturing standards across all our facilities to achieve standardized quality for all our markets. The provision of high quality products is a key differentiator in our business, critical to our continued success and the maintenance of long-term relationships with our customers. We are committed to providing high quality products to our customers and to meet this commitment, we have implemented current good manufacturing practices across our manufacturing sites, encompassing all areas of business processes right from supply chain to product delivery. This enables us to maintain consistent quality, efficiency and product safety. As of June 30, 2016, we had 486 personnel (20.3% of our employee total) performing quality control and quality assurance functions.

Our quality management systems applicable to chemical and process development, analytical development and testing, contract research and development, formulation development and manufacture of pharmaceutical products, have been certified by NQA, UK to be in compliance with BS EN ISO 9001:2008 until June 8, 2017. The Department of Drugs Control Administration, Hyderabad, Government of Telangana, has certified that our facilities conform to good manufacturing practice norms recommended by the WHO.

Our facilities are regularly inspected for compliance with current good manufacturing practices, and such compliance is assessed by the US FDA, WHO and other regulatory agencies. Our internal audit procedures are also regularly updated to comply with any changes in international regulatory requirements, such as US FDA and WHO. Our manufacturing facilities have received one or more approvals from the US FDA, WHO, PMDA, KFDA NIP Hungary and BfArM. The latest successful regulatory audits by the USFDA and WHO for our Units 1 and 3, the BfArM – Germany audit for Unit 2 and the US FDA inspection for our R&D center in Hyderabad occurred in April 2015, December 2015 and June 2016, respectively.

Our Customers

We have long-standing relationships with our key customers, including Aspen Pharmacare Limited, Aurobindo Pharma Limited, Cipla Limited, Hospira, Mylan Laboratories Limited, NATCO and Strides Shasun Limited, each of whom have been our customers for over the last five years. For the financial year 2016, nine of the 10 largest generic pharmaceutical companies, by revenue, were our customers.

We conduct our business pursuant to term agreements as well as on a purchase order basis. Our business agreements typically include certain restrictive covenants. See “Risk Factors – Internal Risk Factors - Our business agreements include certain restrictive covenants which may restrict our business operations” on page 27.

We also conduct sale of APIs on a purchase order basis where the terms of the sale are determined by mutual agreement and depend on factors such as volumes, competition and market share of the product. For the financial year 2016, individually, each of our three largest customers contributed to over 10% of our total revenue. We currently do not have long term contractual arrangements with these customers. See “Risk Factors – Internal Risk Factors – We derive a significant portion of our revenue from the sale of products in certain therapeutic areas and any reduction in demand for these products could have an adverse effect on our business, results of operations, financial condition and cash flows” on page 18.

Raw Materials and Utilities

The key raw materials that we use for our manufacturing operations include 4-chloro-2-trifluoroacetylaniline HCl, cyclopropyl acetylene, L-Menthyl emtricitabine, Adenine, diethyl tosyloxy methyl phosphonate. We identify and approve multiple vendors to source our key raw materials and we place purchase orders with them from time to time. We currently source our key raw materials from vendors in China, Europe, Taiwan, United States, the Middle East, India and Japan. We are currently sourcing a significant portion of our raw materials from multiple vendors in China except for a few materials which are sourced from a single vendor. See “Risk Factors – Internal Risk Factors – Any delay, interruption or reduction in the supply of raw materials and equipment to manufacture our products may adversely affect our business, results of operations, financial condition and cash flows” on page 21.

Our manufacturing operations require a significant amount of power and water. We have entered into agreements with electricity distribution companies for the supply of electricity at high tension for our R&D center and manufacturing facilities.

Intellectual Property

We have a team of 12 personnel working in our intellectual property department. As of June 30, 2016, the Company owned 32 patents and had 150 pending patent applications, in several countries. See “Government and Other Approvals” on page 370.

The following table sets forth certain details of our DMFs filed as of June 30, 2016:

Therapeutic Area	DMFs filed
ARV	13
Oncology	15
Hepatitis C	2
Others therapeutic areas	7
Total	37

Our registered trademarks include , , “Laurus Infosystems”, “Chemia”, “Capepure” and “Curcure Trio”. For further details, see “Government and Other Approvals” on page 370.

Pending Acquisition

On June 8, 2016, our Company entered into a share purchase agreement with Sriam Labs (currently our associate company in which we hold a 27.0% equity interest), Dr. C.R. Naidu, C Harikiran, Dr. V. Uma Maheshwar Rao, CR Eco Ventures Private Limited and certain other shareholders of Sriam Labs (“**Sriam Labs SPA**”), to purchase the remaining 73.0% equity share capital of Sriam Labs for an aggregate purchase consideration of ₹209.96 million. Upon completion of the transaction, which is subject to satisfaction of certain conditions precedent (including receipt of approval from the FIPB and all relevant lenders and third parties), our Company will hold the entire equity share capital of Sriam Labs. For details regarding the proposed acquisition of Sriam Labs, see “History and Certain Corporate Matters” on page 186.

Sriam Labs is currently engaged in the manufacture of intermediates and APIs and has two manufacturing facilities located at Hyderabad and Visakhapatnam.

Information Technology

Our IT systems are vital to our business and we have adopted an IT policy to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment, planning and mitigation policies, and identifying emerging technologies which may be beneficial to our operations.

We are currently using an enterprise resource planning solution SAP, which assists us with various functions including managing our financial accounting, material management, sales and distribution and human resource functions. In April 2014, we implemented an electronic lab notebook software at our R&D center in Hyderabad for recording experimental data electronically, which enables online access and improves the efficiency of our R&D efforts.

Regulatory and Environmental Matters

Our APIs are used in products that are sold in various markets and are subject to regulation by their respective government entities, including the WHO and the US FDA. Each of these agencies requires us to adhere to laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of our APIs.

We are subject to significant Indian national and state environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in addition to the analogous laws and regulations in the foreign jurisdictions in which we do business. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We also handle hazardous materials in dedicated production areas and any failure to comply with the applicable laws and regulations may subject us to penalties and may also result in the closure of our facilities. The environment management systems of Unit 1 and Unit 3 manufacturing facilities with respect to contract manufacturing and manufacturing of intermediates and APIs have been certified by NQA, UK to be compliant with BS EN ISO 14001:2004 standards until February 12, 2018.

See “Risk Factors – Internal Risk Factors – We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected” on page 24 and “Regulations and Policies” on page 178.

Health and Safety

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

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We set up a process safety laboratory to analyze and evaluate risks associated with manufacturing. We also believe we are in compliance with applicable health and safety laws and regulations. We also believe that all our manufacturing facilities possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution.

Our occupational health and safety management system with respect to contract manufacturing and manufacturing of intermediates and APIs has been certified to be in compliance with BS OHSAS 18001:2007 standards by NQA, UK until December 1, 2018.

Insurance

Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements. Our principal types of coverage include insurance for burglary, standard fire and special perils policy, clinical trials liability insurance policy, erection all risk insurance policy, electronic equipment insurance policy, group mobile insurance policy, office umbrella package policy, baggage insurance policy, industrial all risk insurance policy,

product liability policy, public liability policy, terrorism and sabotage insurance policy, directors and officers liability insurance policy, group mediclaim policy, personal accident insurance policy and key-man insurance policy. Our insurance policies may not be sufficient to cover our economic loss. See “Risk Factors – Internal Risk Factors – Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition” on page 29.

Human Resources

Our work force is a critical factor in maintaining quality and safety which strengthen our competitive position and our human resource policies focus on training and retaining our employees. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

We offer our employees performance-linked incentives and benefits and conduct employee engagement programs from time-to-time. We also hire contract labor for our facilities, from time to time. We believe we have good relations with our employees. As of June 30, 2016, we had 2,398 employees.

Employees details as of June 30, 2016			
Particulars	Location	Number of Employees	% of Total Employees
R & D PhDs	India	45	1.9%
R & D Scientists	India	542	22.6%
Intellectual Property Team	India	12	0.5%
Business Development Team	India	15	0.6%
Business Development Team	UK	1	0.0%
Quality Team (QA/QC)	India	486	20.3%
Others	India	1,279	53.3%
R & D Scientists	USA	12	0.5%
Business Development	USA	4	0.2%
Administrations/Others	USA	2	0.1%
Total Employees		2,398	100.0%

Competition

Our key competitors include Desano Pharma, Divis Laboratories Limited, Hetero Drugs Limited, MSN Laboratories Private Limited, Mylan Laboratories Limited, ScinoPharm Taiwan, Shilpa Medicare Limited and SMS Pharmaceuticals Limited.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility (“CSR”) policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government. Our CSR activities are primarily focused on initiatives relating to education, healthcare and the environment, particularly in the geographical areas near our manufacturing facilities.

Our CSR activities are monitored by the CSR Committee of our Board. For details of the terms of reference of our CSR Committee, see “Our Management” on page 196. For the financial year 2016, we had spent an amount of ₹27.02 million in CSR activities. For further details see section “Financial Information” on page 224.

Properties

Our Registered Office located at Plot No. 21, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh, India is owned by our Company. We have leased the premises for our Corporate Office located at 2nd floor, Serene Chambers, Road No. 7, Banjara Hills, Hyderabad 500 034, Telangana, India and our kilo lab and R&D center at Plot Nos. DS1 and DS2, ICICI Knowledge Park, Turkapally, Shameerpet Mandal,

Ranga Reddy District, Telangana, India.

For our manufacturing facilities in Visakhapatnam, we have entered into two sale deeds for Unit 1 and Unit 3 with the Andhra Pradesh Industrial Infrastructure Corporation Limited (“**APIIC**”), Hyderabad and Ramky Pharma City (India) Limited and an agreement for sale of land for Unit 4 with APIIC. We have also entered into a lease deed with APIIC for Unit 2 and a lease deed with Ramky Pharma City (India) Limited for Unit 5. Our Registered Office is located on the premises of Unit 1. Our R&D facility in Greater Boston is situated on leasehold property. We have also entered into two lease agreements and one sub-lease agreement for three guest houses situated at Visakhapatnam.

The leasing arrangements that we have entered into for our R&D center and manufacturing facilities in India range from 25 to 33 years and the leasing arrangements we have entered into for our Corporate Office, other offices, guest houses and our R&D facility in Greater Boston range from three to five years

REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant laws and regulations applicable to our Company. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.

Key regulations applicable to our Company

Indian regulations applicable to our Company

The Special Economic Zones Act, 2005 (“SEZ Act”) and Special Economic Zones Rules, 2006 (“SEZ Rules”)

Special Economic Zones (“SEZs”) are established, regulated and governed by the SEZ Act. The SEZ Act was enacted for the establishment, development and management of SEZs for promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a territory outside the customs territory of India for the purposes of trade as well as duties and tariffs. A board of approval (“**SEZ Board**”) has been set up under the SEZ Act, which is responsible for promoting SEZs and ensuring their orderly development. The SEZ Board has a number of powers including the authority to approve proposals for the establishment of SEZs, the operations to be carried out in the SEZ by the developer, foreign collaborations and foreign direct investments.

The SEZ Rules have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide a simplified procedure for a single window clearance from central and state governments for setting up SEZs and ‘units’ in SEZs. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, the setting up of a SEZ and conducting business within SEZs, with an emphasis on ‘self-certification’. The SEZ Rules also provide for the terms and conditions subject to which entrepreneurs and developers shall be entitled to exemptions, drawbacks, concessions and certain other benefits, etc. The SEZ Rules stipulate the minimum area requirement for various categories of SEZs.

Export Oriented Unit Scheme

The Ministry of Commerce, Government of India introduced the Export Oriented Unit (“**EOU**”) Scheme on December 31, 1980. The EOU Scheme is governed by the Export and Import Policy of India. There is no specially earmarked zone under the EOU scheme and an EOU may be set up anywhere in India subject to operation as a customs bonded warehouse. They are typically required to fulfill certain criteria such as achievement of positive net foreign exchange earnings cumulatively in a five year block period. EOUs are units which must export their entire production (except permitted sales in Domestic Tariff Area). They may be engaged in the manufacture, services, development of software, trading, repair, remaking, reconditioning and re-engineering. EOUs are allowed to import or locally procure, duty free, all types of goods including capital goods, raw materials and consumables required for export production. EOU premises are approved as private warehouses under Section 58 of the Customs Act.

Drugs (Control) Act, 1950 (“Drugs Act”)

The Drugs Act provides for control of sale, supply and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

Drugs and Cosmetics Act, 1940 (“DCA”) and the Drugs and Cosmetics Rules, 1945 (“DCA Rules”)

In order to maintain high standards of medical treatment, the DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the manufacture and sale of certain drugs and

cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Narcotic Drugs and Psychotropic Substances Act, 1985 (“Narcotic Act”)

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits, *inter alia*, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under the Narcotic Act, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances. Subsequently, the Narcotic Act was amended in 2014 to remove restrictions on certain drugs called ‘essential narcotic drugs’ (narcotic drugs which have been notified for medical and scientific use) and to improve treatment and care for people dependent on drugs.

The Food Safety and Standards Act, 2006 (“FSSA”)

The FSSA was enacted on August 23, 2006 with a view to consolidating the laws relating to food, including nutraceuticals, and to establish the Food Safety and Standards Authority of India (“**Food Authority**”), for laying down science based 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 registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers and powers and procedures relating to adjudication by the Food Safety Appellate Tribunal. In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (“**FSSR**”) which have been operative since August 5, 2011. The FSSA provides the procedure for registration and licensing process for food business and the Food Safety & Standards (Food Products Standards and Food Additives) Regulations, 2011 lays down detailed standards for various food products. The FSSA also sets out the enforcement structure of ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ and procedures of taking extracts of documents, and seizure, sampling and analysis of food.

Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

The Patents Act, 1970 (“Patents Act”)

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights (“**TRIPS**”); India recognizes both product as well as process patents. The Patents Act provides for the following, among other things:

- Patent protection period of 20 years from the date of filing the patent application;
- Recognition of product patents in respect of food, medicine and drugs;
- Import of patented products will not be considered as an infringement; and

- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer. An application for a patent can be filed in any of the four patent offices in India.

The Indian Boilers Act, 1923 (“Boilers Act”)

Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boilers.

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks 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 connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) more stringent punishment for violation of provisions.

Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

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

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“State PCB”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

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

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment Protection Act, 1986 (“EPA”)

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Bio-Medical Waste (Management and Handling) Rules, 1998 (“BMW Rules”)

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-

medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and environment and to set up bio-medical waste treatment facilities as prescribed under the BMW Rules. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, receipt, storage, transportation, treatment, disposal, and/ or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Waste Rules”)

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

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

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

Noise Pollution (Regulation and Control) Rules, 2000

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

Water (Prevention & Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention & Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

The Explosives Act, 1884 (“Explosives Act”)

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act. In furtherance to the purpose of this Act, the Central Government notified the Explosive Rules, 2008 in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

Public Liability Insurance Act, 1991 (“Public Liability Act”)

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

Laws relating to taxation

The tax related laws that are pertinent include the Value Added Tax 2005, the Income Tax Act 1961, the Customs Act 1961, the Central Sales Tax Act 1956 and various service tax notifications.

Laws relating to Employment

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Factories Act, 1948;
- The Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Inter State Migrant Workers Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Trade Unions Act, 1926;
- Telangana Shops and Establishments Act, 1988; and
- Industrial Employment (Standing Order) Act, 1946.

Foreign regulations applicable to our Company

Our Company is, or is expected to be, subject to regulations, principally through Current Good Manufacturing Practices ("cGMP") inspections, by:

- USFDA;
- European Medicines Agency ("EMA") independently or jointly with National Competent Authorities ("NCAs"); and
- WHO.

USFDA

The USFDA is an agency within the United States Department of Health and Human Services ("HHS"), the principal United States agency for protecting the health of all Americans and providing essential human health services.

The USFDA is responsible for protecting the public health in the United States by assuring that human drugs, veterinary drugs, vaccines and other biological products and medical devices intended for human use are safe and effective. All drugs approved in the United States, regardless of where they are made, must be in compliance with the Federal Food, Drug, and Cosmetic Act (the "Act") Viz. Code of Federal regulations as defined for each category of product, which requires that drugs meet manufacturing standards to assure quality and product label requirements. Domestic and foreign facilities are inspected for compliance with applicable

regulations, including cGMP, GCP, and GLP.

In furtherance of these objectives for drugs that are distributed within the United States or outside the United States, known as foreign firms, the USFDA may conduct an inspection of a company's research, development or manufacturing operations for a variety of reasons, including routinely scheduled investigations, a surveillance inspection, or in response to a reported problem. Refusing or delaying an inspection can have consequences. Section 707 of the Food and Drug Administration Safety and Innovation Act ("FDASIA") added 501(j) to the Act to deem adulterated a drug that "has been manufactured, processed, packed, or held in any factory, warehouse, or establishment and the owner, operator, or agent of such factory, warehouse, or establishment delays, denies, or limits an inspection, or refuses to permit entry or inspection." The USFDA has issued guidance that defines the circumstances that would constitute delaying, denying, or limiting inspection, or refusing to permit entry or inspection, for purposes of section 501(j).

The USFDA will also inspect the facility or the facilities at which the product is manufactured before the NDA is approved. The USFDA will not approve the product unless cGMP compliance is satisfactory. The USFDA may also take into account results of inspections performed by certain counterpart foreign regulatory agencies in assessing compliance with cGMP. The USFDA has entered into international agreements with foreign agencies, including the EMA/WHO, to facilitate such information sharing. If the USFDA determines the contents of the application, the manufacturing process, or the manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of additional information to remedy the noted deficiencies, the USFDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

The USFDA approaches inspections at foreign drug facilities in the same manner as domestic United States inspections; however, an USFDA inspection of a facility outside the United States will be pre-announced or within short notice and scheduled with the establishment to be inspected. During the inspection, inspectors typically tour the company's drug manufacturing facility and examine its cGMP processes by interviewing employees and reviewing documentation and records. Inspection teams typically evaluate documented product complaints, process failures, product failures, failures in laboratory tests, process changes, and investigations of any batches requiring rework or reprocessing. The USFDA may concentrate on particular systems depending on the type and nature of facility, e.g., environmental monitoring in facilities with aseptic processing (sterile), non-sterile, pre-approval inspections or routine surveillance inspections.

At the conclusion of the on-site inspection, investigators typically present findings verbally to company management and discuss the observed objectionable conditions and practices on Form 483. The "483s" are inspectional observations, and do not represent a final USFDA determination regarding the site's compliance with cGMPs. Companies provide a formal response to the 483s, although they are not regulatory obligated to do so. A company's response, which may indicate that the objectionable conditions and practices have been or will be corrected, is intended to avoid an USFDA decision to pursue further action against the company, such as a Warning Letter or an Untitled Letter.

A Warning Letter is the USFDA's principal means of achieving compliance with the Act, and gives individuals and firms an opportunity to take voluntary and prompt corrective action before the USFDA initiates an enforcement action. The USFDA issues Warning Letters for violations of regulatory significance and to establish prior notice. Authorized USFDA officials may issue Warning Letters to foreign producers of USFDA-regulated products based on establishment inspections or other information. USFDA issued Warning Letters, with redactions to remove confidential information, are posted on the USFDA's Warning Letters internet page. The USFDA uses Untitled Letters for violations that are not as significant as those that trigger Warning Letters. Unlike a Warning Letter, an Untitled Letter does not include a statement warning that failure to promptly correct a violation may result in an enforcement action.

The USFDA has authority to take both administrative and judicial enforcement actions to protect the public from dangerous and illegal products, to punish persons and companies who violate the law, and to deter violations. Administrative actions include product recalls, debarment of individuals or companies who have been convicted of felonies, withdrawals of product approvals, license revocations, and disqualification of clinical investigators.

Judicial actions include seizures of violating products, injunctions, criminal prosecutions, and certain civil

money penalties. The USFDA need not issue a Warning Letter as a prerequisite to taking enforcement action.

The USFDA prohibits persons debarred under the Act from providing services in any capacity to a person that has an approved or pending drug product application. The NDA applicant must submit a certification regarding debarment. The Act also authorizes the USFDA to seek civil penalties for violation of this prohibition, from both the firm who uses the services of a debarred individual and from the individual.

EMA and NCAs

The EMA is an agency of the European Union (“EU”), based in London. The EMA’s main responsibility is the protection and promotion of public and animal health, through the evaluation and supervision of medicines for human and veterinary use. The EMA is responsible for the scientific evaluation of applications for EU marketing authorizations for human and veterinary medicines in the centralized procedure. Under the centralized procedure, which is mandatory for certain categories of medicines, pharmaceutical companies submit a single marketing-authorization application to the EMA. Once granted by the European Commission, a centralized marketing authorization is valid in all EU Member States, as well as in the European Economic Area (“EEA”) countries. Where the centralized procedure is not mandatory, pharmaceutical companies can use national authorization procedures, including the decentralized and mutual recognition procedures (commonly referred to as the national authorizations procedures). National Competent Authorities, such as the UK’s Medicines and Healthcare Products Regulatory Agency (“MHRA”), are responsible for approving medicines in such procedures.

NCAs have the power to conduct inspections of a company’s research, development or manufacturing operations, with respect to both nationally and centrally authorized products. Specifically with respect to centrally authorized products, it is common practice for inspections to be conducted jointly by the EMA and the NCAs. The EMA and the NCAs also have the power to conduct joint inspections in facilities located in countries outside the EU. Following an inspection, inspectors provide a written inspection report to the inspected site or applicant and provide an opportunity for response.

Some inspection reports require follow-up due to critical or major findings. The inspectors will comment on any response from an inspected site or applicant and may monitor future compliance with any proposed corrective action plan. Inspectors grade their findings according to the following scale:

Critical: Conditions, practices or processes that adversely affect the rights, safety or well being of the subjects or the quality and integrity of data. Observations classified as critical may include a pattern of deviations classified as major.

Major: Conditions, practices or processes that might adversely affect the rights, safety or well-being of the subjects and/or the quality and integrity of data. Observations classified as major may include a pattern of deviations or numerous minor observations.

Possible consequences of critical and major findings include rejection of data or direct legal action by regulatory or national authorities.

Minor: Conditions, practices or processes that would not be expected to adversely affect the rights, safety or well being of the subjects or the quality and integrity of data. Minor observations indicate the need for improvement of conditions, practices and processes.

Comments: Suggestions on how to improve quality or reduce the potential for a deviation to occur in the future.

WHO

The WHO, under the aegis of United Nations (“UN”), is responsible for protecting the public health world-over and any specific disease spread across continents, country or any part of the globe. WHO focuses on Access to Medicines (“ATM”) market for ease of passage of medicines to patients at low cost without any discontinuity. WHO is involved in countries where stringent regulatory approvals are not present and WHO will assist in ensuring that a product is manufactured and supplied in cGMP compliant facilities.

WHO is an independent body which follows its own strict dossier review norms called the “Pre-qualification

(“**PQ**”) Program for API” and “PQ of Finished Product Dossiers”. The WHO inspects facilities and shares an inspection report where it categorizes observations as critical, major or others. A company has 30 days to respond to these observations with an action plan and timelines commitments. These will be reviewed and commented on by inspectors or accepted in total. For critical and major observations, objective evidence has to be shared after completion of committed timelines. For other observations, the objective evidence need not be shared, but WHO will verify it during its next inspection.

An inspection closure letter will be issued by the WHO, after receipt and completion of all objective evidence collection and verification. The relevant portions of the report will be published as a Public Inspection Report (“**PIR**”) on the WHO website, with prior approval from company. In case of non-conformance or dissatisfaction with company response to the cGMP concerns raised by the WHO, a “Notice of Concern” is raised by WHO and published in the public domain. This needs to be addressed by a company immediately after discussions with the WHO and providing deeper commitments to ensure compliance with cGMP. The PIR will be removed from the WHO website once WHO is satisfied with a commitment to ensure compliance with WHO rules and a follow up inspection could occur at short notice in such cases.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Laurus Labs Private Limited on September 19, 2005 at Hyderabad, Andhra Pradesh, India as a private limited company under the Companies Act, 1956. Our Company was subsequently converted into a public limited company and its name was changed to Laurus Labs Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on February 12, 2007. Subsequently the name of our Company was changed to Aptuit Laurus Limited consequent to the strategic partnership entered into by our Company with Aptuit Singapore and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 19, 2007. Thereafter our Company was converted into a private limited company and its name was changed to Aptuit Laurus Private Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a private limited company was issued by the RoC on July 24, 2007. Subsequently the name of our Company was changed to Laurus Labs Private Limited consequent to the proposed dilution of the shareholding of Aptuit Singapore in the Company and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 21, 2012. Our Company was converted into a public limited company and the name of our Company was changed to Laurus Labs Limited. A fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on August 16, 2016.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office
January 21, 2006	From Plot No.40, Park View Enclave, Manovikas Nagar, Secunderabad 500 009, Andhra Pradesh to 3 rd Floor, Uma Hyderabad House, Raj Bhavan Road, Somajiguda, Hyderabad 500 082, Andhra Pradesh
August 14, 2008	From 3 rd Floor, Uma Hyderabad House, Raj Bhavan Road, Somajiguda, Hyderabad 500 082, Andhra Pradesh to 2 nd Floor, Serene Chambers, Road No.7, Banjara Hills, Hyderabad 500 034, Andhra Pradesh
April 29, 2014	From 2 nd Floor, Serene Chambers, Road No. 7, Banjara Hills, Hyderabad 500 034, Andhra Pradesh to Plot No. 21, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam 531 021, Andhra Pradesh

The change in the Registered Office was made due to administrative and operational convenience.

Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

- “1. To manufacture, import, export, buy, sell, distribute, and deal in bulk drugs, dosage forms and pharmaceuticals, fine chemicals, biotech products including any ayurvedic, unani, herbal, nutraceuticals and cosmetic preparations.*
- 2. To undertake all kinds of consultancy services in pharmaceuticals and carry on research (including active pharmaceutical research) and development, and loan licensing manufacturing, to act as advisers for such of those industrial organizations and research laboratories who may desire to utilize these services in pharmaceuticals, as well as discovery, preclinical and clinical activities, formulations, clinical manufacturing and other outsourced pharmaceutical related activities.*
- 3. To acquire, invent, develop, providing manufacturing process or design or plant and equipment for the manufacture of drugs, pharmaceuticals, chemicals, food products and install, erect the plant and run the plant for the Company's use or handover, transfer the unit to the entrepreneur, industrialist or business men who has contracted with the company of the above services, and to develop or provide technical know-how, end to end information, technology solutions for drug discovery, drug development, drug manufacturing and drug marketing and distribution and clinical packaging and logistics business, end-to-end solutions for the clinical supply management including study design, forecasting, labeling, and packaging, distribution and returns management.*

4. *To establish laboratory facilities for the Company's own purpose or contract research and to conduct analytical and research work of all descriptions and to establish, provide, maintain and conduct, or otherwise subsidize research laboratories and experimental workshops for scientific and technical research and tests of all kinds and to promote studies and research both scientific and technical, investigation and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibition, scholarship, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigation, experiment, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorized to undertake.*
5. *To undertake on behalf of clients, in India or abroad, (pharmaceutical, biotechnology, healthcare companies and companies engaged in pharmaceutical research and development) clinical research for pharmaceutical products (including drugs, therapies and medical devices) including study, design, CRF design, protocol development, medical and clinical research monitoring, drug safety monitoring and evaluation of results of clinical research and to undertake import, export, storage and distribution of drugs, pharmaceutical products, equipments, devices and other related items for clinical research purposes."*

The main objects as contained in the MoA enable our Company to carry on our existing business.

Amendments to the MoA

Set out below are the amendments to our MoA since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
June 12, 2006	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹1,000,000 divided into 100,000 Equity Shares of ₹10 each to ₹150,000,000 divided into 15,000,000 Equity Shares of ₹10 each
December 23, 2006	Clause I of the MoA was amended to reflect the change in the name of our Company from Laurus Labs Private Limited to Laurus Labs Limited due to the conversion of our Company from a private limited company to a public limited company
June 18, 2007	Clause V of the MoA was amended to reflect the increase in authorised share capital and reclassification of the authorised share capital of our Company from ₹150,000,000 divided into 15,000,000 Equity Shares of ₹10 each to ₹218,000,000 divided into 15,000,000 Equity Shares of ₹10 each and 6,800,000 preference shares of ₹10 each
July 14, 2007	• Clause I of the MoA was amended to reflect the change in the name of our Company from Laurus Labs Limited to Aptuit Laurus Limited due to the strategic partnership entered with Aptuit (Singapore) Private Limited vide shareholders agreement dated June 17, 2007 • Clause I of the MoA was amended to reflect the change in the name of our Company from Aptuit Laurus Limited to Aptuit Laurus Private Limited due to the conversion of our Company from a public limited company to a private limited company
March 5, 2008	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹218,000,000 divided into 15,000,000 Equity Shares of ₹10 each and 6,800,000 preference shares of ₹10 each to ₹219,000,000 divided into 15,000,000 Equity Shares of ₹10 each and 6,900,000 preference shares of ₹10 each
March 20, 2008	Clause III of the MoA was altered to reflect the re-arrangement of the main objects in the following manner: 1. <i>To manufacture, import, export, buy, sell, distribute, and deal in bulk drugs, dosage forms and pharmaceuticals, fine chemicals, biotech products including any ayurvedic, unani, herbal, nutraceuticals and cosmetic preparations.</i> 2. <i>To undertake all kinds of consultancy services in pharmaceuticals and carry on research (including active pharmaceutical research) and development, and loan licensing manufacturing, to act as advisers for such of those industrial organizations and research laboratories who may desire to utilize these services in pharmaceuticals, as well as discovery, preclinical and clinical activities, formulations, clinical manufacturing and other outsourced pharmaceutical related activities.</i> 3. <i>To acquire, invent, develop, providing manufacturing process or design of plant and</i>

Date of Shareholders' Resolution	Particulars
	equipment for the manufacture of drugs, pharmaceuticals, chemicals, food products and install, erect the plant and run the plant for the Company's use or handover, transfer the unit to the entrepreneur, industrialist or business men who has contracted with the company of the above services, and to develop or provide technical know-how, end to end information technology solutions for drug discovery, drug development, drug manufacturing and drug marketing and distribution and clinical packaging and logistics business, end-to-end solutions for the clinical supply management including study design, forecasting, labeling, and packaging, distribution and returns management. 4. To establish laboratory facilities for the Company's own purpose or contract research and to conduct analytical and research work of all descriptions and to establish, provide, maintain and conduct, or otherwise subsidize research laboratories and experimental workshops for scientific and technical research and tests of all kinds and to promote studies and research both scientific and technical, investigation and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibition, scholarship, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigation, experiment, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorized to undertake. 5. To undertake on behalf of clients, in India or abroad, (pharmaceutical, biotechnology, healthcare companies and companies engaged in pharmaceutical research and development) clinical research for pharmaceutical products (including drugs, therapies and medical devices) including study, design, CRF design, protocol development, medical and clinical research monitoring, drug safety monitoring and evaluation of results of clinical research and to undertake import, export, storage and distribution of drugs, pharmaceutical products, equipments, devices and other related items for clinical research purposes."
April 1, 2008	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹219,000,000 divided into 15,000,000 Equity Shares of ₹10 each and 6,900,000 preference shares of ₹10 each to ₹254,000,000 divided into 18,500,000 Equity Shares of ₹10 each and 6,900,000 preference shares of ₹10 each*
November 2, 2011	Clause V of the MoA was amended to reflect the increase in authorised share capital and reclassification of the authorised share capital of our Company from ₹254,000,000 divided into 18,500,000 Equity Shares of ₹10 each and 6,900,000 preference shares of ₹10 each to ₹880,000,001 divided into 20,899,496 Equity Shares of ₹10 each, 6,900,000 Series A Preference Shares** of ₹10 each and 2,477,387 Series B Preference Shares of ₹243 each
February 14, 2012	Clause I of the MoA was amended to reflect the change in the name of our Company from Aptuit Laurus Private Limited to Laurus Labs Private Limited
July 25, 2014	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹880,000,001 divided into 20,899,496 Equity Shares of ₹10 each, 6,900,000 Series A Preference Shares of ₹10 each and 2,477,387 Series B Preference Shares of ₹243 each to ₹880,000,001 divided into 16,746,097 Equity Shares of ₹10 each, 6,900,000 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and 4,153,399 Series C Preference Shares of ₹10 each
February 11, 2016	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹880,000,001 divided into 16,746,097 Equity Shares of ₹10 each, 6,900,000 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and 4,153,399 Series C Preference Shares of ₹10 each to ₹914,000,001 divided into 20,146,097 Equity Shares of ₹10 each, 6,900,000 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and 4,153,399 Series C Preference Shares of ₹10 each
February 11, 2016	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹914,000,001 divided into 20,146,097 Equity Shares of ₹10 each, 6,900,000 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and 4,153,399 Series C Preference Shares of ₹10 each to ₹914,000,001 divided into 24,787,037 Equity Shares of ₹10 each, 2,259,060 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and 4,153,399 Series C Preference Shares of ₹10 each
June 6, 2016	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹914,000,001 divided into 24,787,037 Equity Shares of ₹10 each, 2,259,060 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and

Date of Shareholders' Resolution	Particulars
	4,153,399 Series C Preference Shares of ₹10 each to ₹1,110,000,001 divided into 44,387,037 Equity Shares of ₹10 each, 2,259,060 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and 4,153,399 Series C Preference Shares of ₹10 each
July 20, 2016	Clause V of the MoA was amended to reflect the reclassification and rounding off/ reduction of the authorised share capital of ₹1,110,000,001 divided into 44,387,037 Equity Shares of ₹10 each, 2,259,060 Series A Preference Shares of ₹10 each, 2,477,387 Series B Preference Shares of ₹243 each and 4,153,399 Series C Preference Shares of ₹10 each, pursuant to cancellation of shares (in order to avoid fractional number of Equity Shares) to ₹1,110,000,000 divided into 111,000,000 Equity Shares of ₹10 each
August 11, 2016	Clause I of the MoA was amended to reflect the change in the name of our Company from Laurus Labs Private Limited to Laurus Labs Limited due to the conversion of our Company from a private limited company to a public limited company

* The authorised share capital of our Company was increased pursuant to the scheme of amalgamation under Section 391-394 of the Companies Act, 1956 for amalgamation of Aptuit Informatics with our Company. For further details see, "Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, if any – Scheme of Amalgamation of Aptuit Informatics with our Company" on page 191 below

**Preference shares of ₹10 each were renamed as Series A Preference Shares pursuant to letter dated October 26, 2011 issued by Aptuit Singapore consenting to the renaming of the preference shares

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
2006	- Set up the R&D Centre - Signed term sheet with a leading Indian pharmaceutical company for oncology APIs - Filed our first patent application
2007	- Set up Unit 1 - Investment by Aptuit Singapore of ₹1.02 billion in our Company - Executed manufacturing and services agreements with three multinational companies - Commenced operations at the R&D Centre
2008	- Filed first Drug Master File - Commenced operations at Unit 1 - Supplied our Company's first product to the USA
2009	- DSIR recognition received for the R&D Centre - Commercialised four nutritional fine chemicals - Launched our Company's first product in Europe - Entered into a license agreement with an international organization and a multinational company for license to manufacture and sell one of our products in the ARV segment
2010	Received US FDA certification, TGA and UK MHRA certification for the Unit 1
2011	- Received US FDA certification for the R&D Centre - Received Korean FDA certification for Unit 1 and the R&D Centre
2012	Investment of ₹490 million in our Company by FIL Capital Management and FIP through primary investment and secondary acquisition of Aptuit's majority stake in the Company along with additional investments by one of our Promoters
2013	- Crossed ₹10 billion of revenues - Received WHO approval for Unit 1
2014	- Purchased approximately 135 acres of land at Visakhapatnam for future expansion - Investment of ₹3,000 million by Bluewater and acquisition by Bluewater of significant stake from FIL Capital Management and FIP (acting through FIL Capital Advisors) through secondary share purchase transaction - Commenced construction of Unit 2 - Incorporated Laurus Inc. at Delaware as a wholly owned subsidiary of our Company
2015	- Commenced commercial operations at Unit 3 - Acquired 27% stake in Sriam Labs - Successful inspection by WHO, NIP Hungary and US FDA for Unit 1 and Unit 3 manufacturing sites
2016	- Successful US FDA inspection of the kilo lab facility at R&D Hyderabad - Received approval from BfM Germany for Unit 2 - Crossed ₹15 billion in revenues - Filed first ANDA with the US FDA and first dossier with the WHO

Awards and Accreditations

We have received the following awards and accreditations:

Year	Awards and Accreditations
2012	- Script Award for the “Best Company in an Emerging Market” - FAPCCI (The Federation of Andhra Pradesh Chambers of Commerce and Industry) Award for “Outstanding Export Performance” (Silver Rolling Trophy) “Outstanding Exports Performance Award” - Bulk Drugs (medium) - Gold by Pharmaceuticals Export Promotion Council of India (“PHARMEXCIL”)
2013	- Outstanding Exports Performance Award – Bulk Drugs - Silver by PHARMEXCIL - Silver Certificate of Merit at the Economic Times India Manufacturing Excellence Awards, 2013
2014	- Vishwakarma Rashtriya Puraskar and National Safety Award for Unit 1, presented by the Ministry of Labour and Employment, Government of India for the performance year 2012 - Outstanding Exports Performance Award- Bulk Drugs (Mid Range) by PHARMEXCIL - Silver Certificate of Merit at the Economic Times India Manufacturing Excellence Awards, 2014 ‘Excellence in Performance & Business Scalability (Large Companies)’ award, in the Business Today-YES Bank Emerging Companies Excellence Awards
2015	- Our Company was featured as one of the 13 Hidden Gems in India by Forbes India and our CEO was featured on its cover page ‘Health Care Company of the Year 2015’ award by VC Circle - Silver Certificate of Merit at the India Manufacturing Excellence Awards, 2015 ‘Best Visualised App Delivery Implementation’ award from Citrix - Certificate of achievement in the Business Leader 2015 Award for excellence in the pharmaceuticals sector
2016	National Safety Award (runner-up) for Unit 1, presented by the Ministry of Labour and Employment, Government of India for the performance year 2014

Other Details Regarding our Company

For details regarding the description of our activities, services, products, market of each segment, the growth of our Company, technology, the standing of our Company with reference to prominent competitors, management, managerial competence, major suppliers and customers, exports, profits, geographical segment, capacity/facility creation, location, environmental issues, market, capacity build-up, marketing and competition, see “Our Business”, “Our Management” and “Industry Overview” on pages 161, 196 and 107, respectively.

Lock-outs and Strikes

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed below, our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets.

*Share Subscription Agreement dated August 21, 2013 between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao and CR Eco Ventures Private Limited (“**Sriam Labs SSA**”)*

Our Company executed the Sriam Labs SSA pursuant to which our Company subscribed to 3,834,908 equity shares of face value of ₹10 each of Sriam Labs representing 27.0% of the shareholding of Sriam Labs for a consideration of ₹18.77 per equity share aggregating to ₹71,981,223. Sriam Labs obtained FIPB approval dated April 7, 2014 for the subscription of equity shares by our Company, pursuant to the Sriam Labs SSA.

*Share purchase agreement dated June 8, 2016 between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao, CR Eco Ventures Private Limited and certain other shareholders of Sriam Labs (“**Other Shareholders**”) (“**Sriam Labs SPA**”)*

Our Company executed the Sriam Labs SPA pursuant to which our Company has agreed to purchase 10,368,455 equity shares of face value of ₹10 each representing 73.0% of the share capital of Sriam Labs from Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao, CR Eco Ventures Private Limited and the Other Shareholders (collectively called the “**Sellers**”) for an aggregate purchase consideration of ₹229,961,214. The acquisition is

subject to completion of the conditions precedent set out under the Sriam Labs SPA, which include obtaining approval from the FIPB and all relevant lenders and third parties for the said acquisition, on or prior to the date which is 120 days after June 8, 2016, or a mutually agreed extended date (“**Long Stop Date**”). Upon completion of the acquisition, our Company shall hold the entire equity share capital of Sriam Labs. The Sriam Labs SPA would stand terminated (i) if completion does not occur by the Long Stop Date; or (ii) at the option of our Company, if the Sellers collectively or individually materially breach any of the provisions, covenants or agreements under the Sriam Labs SPA, and such breach is not or cannot be remedied within 15 business days of notification of such breach. Our Company has filed a FIPB application dated June 8, 2016 for approval of the said acquisition. See “Risk Factor - We are currently in the process of acquiring Sriam Labs and any failure to realize the anticipated benefits of this acquisition may have an adverse effect on our business, results of operations, financial condition and cash flows” on page 26.

*Amendment to the Share Purchase Agreement dated August 10, 2016 executed between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao, CR Eco Ventures Private Limited and certain other shareholders of Sriam Labs (“**Other Shareholders**”) (“**Amendment to Sriam Labs SPA**”)*

Our Company executed the Amendment to Sriam Labs SPA, pursuant to which the inadvertent error in stating the correct purchase consideration in the Sriam Labs SPA for the purchase of 73% shareholding of Sriam Labs by our Company was corrected. Accordingly, the purchase consideration was amended to ₹209,961,214.

*Shareholders’ Agreement dated August 21, 2013 between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao, CR Eco Ventures Private Limited (collectively called the “**Sriam Labs Promoters**”) and other existing shareholders of Sriam Labs (“**Sriam Labs SHA**”), read with the addenda to the Sriam Labs SHA dated January 17, 2014 and April 25, 2014*

Pursuant to the Sriam Labs SHA, our Company has certain rights in relation to Sriam Labs, including anti-dilution rights to maintain its shareholding in Sriam Labs, right of first refusal and tag along right, in case of a proposed sale of securities by the Sriam Labs Promoters or any of the other existing shareholders of Sriam Labs to any third party, liquidation preference as against the other shareholders of Sriam Labs, affirmative consent rights in relation to certain matters and board nomination rights. The Sriam Labs SHA may be mutually terminated at any time and would automatically terminate on our Company ceasing to hold any securities in Sriam Labs. Our Company may also terminate the Sriam Labs SHA by giving a notice in writing on the occurrence of an event of default.

Scheme of amalgamation of Aptuit Informatics with our Company

Our Company and Aptuit Informatics filed a scheme of amalgamation under section 391 to 394 of the Companies Act, 1956, before the High Court of Andhra Pradesh and the High Court of Karnataka respectively for the amalgamation of Aptuit Informatics with our Company (the “**Scheme**”). The Scheme was approved by our Board on April 21, 2008 and by the board of directors of Aptuit Informatics on April 29, 2008. The rationale for the amalgamation of Aptuit Informatics with our Company was creation of a larger entity and to derive optimal management and synergy benefits and business synergies besides economies in cost by combining all the function related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise.

The Scheme was approved by the High Court of Andhra Pradesh on November 18, 2008 and by the High Court of Karnataka on September 25, 2008. Our Company filed a certified true copy of the order of the High Court of Andhra Pradesh and the High Court of Karnataka with the RoC on December 23, 2008. Pursuant to this, Aptuit Informatics was amalgamated with our Company with effect from April 1, 2008. On implementation of the Scheme, the entire business of Aptuit Informatics including software technology units, business, properties, assets and goodwill were transferred to our Company on a going concern basis. As consideration for the amalgamation, the shareholders of Aptuit Informatics, i.e., Aptuit Singapore, were issued and allotted 100 fully paid up preference shares of ₹10 each of our Company for every 2,235 equity shares held in Aptuit Informatics. For details, see “Capital Structure” on page 67. Further, pursuant to the Scheme, the authorised share capital of our Company was enhanced to ₹254,000,000 divided into 18,500,000 Equity Shares of ₹10 each and 6,900,000 preference shares of ₹10 each and Clause V of the MoA of our Company accordingly stood amended. The preference shares of ₹10 each were subsequently renamed as Series A Preference Shares pursuant to letter dated October 26, 2011 issued by Aptuit Singapore consenting to the renaming of the preference shares. On the Scheme becoming effective, Aptuit Informatics stood dissolved without being wound up.

Divestment Agreement

Share purchase agreement dated April 18, 2016 executed between our Company, Padiyath Mohammed Akbarali (“Purchaser”), Dr. Satyanarayana Chava and Viziphar, and the amendment agreement dated April 18, 2016 (“Viziphar SPA”)

Our Company had originally acquired Viziphar in 2013. Our Company executed the Viziphar SPA, pursuant to which the Purchaser acquired 100% of our Company’s and Dr. Satyanarayana Chava’s shareholding in Viziphar, consisting of 2,454,069 equity shares of ₹10 each from our Company and Dr. Satyanarayana Chava for an aggregate consideration of ₹3,000,000. The effective date of the the Viziphar SPA, was April 1, 2016 and closing of the transactions contemplated thereunder occurred on May 20, 2016.

Capital raising activities through equity and debt

Except as mentioned in “Capital Structure” on page 67, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see “Financial Indebtedness” on page 338.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

There have 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.

Time and cost overruns

There have been no instances of time and cost overruns in setting up projects by our Company in the past.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses

Except as stated in “Risk Factors” and “Financial Statements” on page 17 and 224 respectively, there are no accumulated profits or losses of either the Erstwhile Subsidiary or the Subsidiary that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Interest in our Company

Our Subsidiary does not have any interest in our Company’s business other than as stated in “Our Business” and “Related Party Transactions” on page 161 and 221 respectively.

Our Shareholders

Our Company has 173 Shareholders as of the date of this Draft Red Herring Prospectus. For further details, regarding our Shareholders, see “Capital Structure” on page 67.

Strategic or Financial Partners

Our Company does not have any financial partners. For details regarding our strategic partners, see “Our Business” on page 161.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary. Our Erstwhile Subsidiary was divested, with effect from April 1, 2016 and its financial statements will not be consolidated with the financial statements of our Company from April 1, 2016.

Laurus Synthesis Inc. (“Laurus Inc.”)

Corporate Information

Laurus Inc. was incorporated on December 8, 2014 as a stock corporation in the state of Delaware, United States of America. It has its registered office at 160 Greentree Drive, Suite 101, Dover, County of Kent, DE 19904.

Laurus Inc. is primarily engaged in providing chemistry, IP development and related services to the global pharmaceutical community.

Capital Structure

The authorised and paid up share capital of Laurus Inc. comprises of 30,000 equity shares of USD 100 each.

Shareholding

Our Company holds the entire issued and paid up share capital of Laurus Inc.

Our Associate Company

Sriam Labs Private Limited (“Sriam Labs”)

Corporate Information

Sriam Labs was incorporated on February 12, 2002 under the Companies Act, 1956 as a private limited company by the name of Sai Ram Organics Private Limited. The name of the company was subsequently changed to Sriam Labs Private Limited on March 29, 2012. Its registered office is situated at 3rd Floor, SDE Serena Chambers, Avenue 7, Road No. 5, Banjara Hills, Hyderabad 500 034.

Sriam Labs is primarily engaged in the business of, inter alia, manufacturing and/or undertaking job work, trading, importing, exporting and/or otherwise dealing in all types of pharmaceutical products, medicines, organic and inorganic chemicals, drugs of all types, medical implements and surgical materials of various types used for human beings and animals.

Capital Structure

The authorised share capital of Sriam Labs is ₹145,000,000 divided into 14,500,000 equity shares of face value ₹10 each. The issued and paid up share capital of Sriam Labs is ₹142,033,630 divided into 14,203,363 equity shares of face value ₹10 each.

Shareholding

Our Company holds 3,834,908 equity shares of face value ₹10 each of Sriam Labs constituting 27.0% of the issued and paid up share capital of Sriam Labs, which became an Associate of our Company on April 25, 2014. For details see, “Details regarding acquisition of business/ undertakings, mergers, amalgamations, revaluation of assets, if any” on page 190 and “Financial Statements” on page 224. Our Company has entered into a share purchase agreement dated June 8, 2016 for acquisition of the remaining 73.0% of the share capital of Sriam Labs. For details, see “Details regarding acquisition of business/ undertakings, mergers, amalgamations, revaluation of assets, if any” on page 190.

Summary of Key Agreements and Shareholders’ Agreements

Shareholders’ Agreements with our Company

Investment agreement dated May 2, 2014 between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company (“Laurus Investment Agreement” or “LIA”)

Our Company entered into the Laurus Investment Agreement, whereby Bluewater agreed to subscribe to and our Company agreed to issue and allot Series C Preference Shares constituting 16.67% of the fully diluted issued share capital of our Company, for a subscription price of ₹722.30 per Series C Preference Share, amounting to ₹3,000,000,000. Further, Bluewater agreed to purchase Equity Shares from certain shareholders of our Company and Series B Preference Shares of our Company from FIP (acting through FIL Capital Advisors), pursuant to the share purchase agreements, details of which are set forth below.

As per the Laurus Investment Agreement, Bluewater, FIL Capital Management, FIP and Aptuit (collectively called the “**Investors**”), *inter alia*, have the right to nominate directors on the Board and committees appointed by the Board, affirmative voting rights in relation to certain reserved matters and in case of a sale of securities by Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, a right of first offer to purchase the securities being sold and a tag along right to sell securities held by them to the proposed purchaser. Our Company is required to provide the Investors, an exit prior to June 30, 2018, extendable by one year, pursuant to a public offering of Equity Shares at a price to be determined by a reputed merchant banker appointed as per the Laurus Investment Agreement, which results in the listing of Equity Shares on the NSE, BSE or any other internationally recognised stock exchange, as decided by the Board (“**Qualified IPO**”). Further, the timing, price, mechanism and the total number of Equity Shares to be offered in the Qualified IPO and the Equity Shares to be offered by the shareholders of our Company shall be determined by the merchant banker appointed for the Qualified IPO in consultation with Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, Bluewater, FIL Capital Management and FIP. Additionally, the Laurus Investment Agreement provides that the 2011 Investment Agreement (as defined below) would automatically terminate on closing of the transactions under the Laurus Investment Agreement with the exception of certain clauses, which shall survive such termination.

The Laurus Investment Agreement shall automatically terminate, *inter alia*, upon completion of the Qualified IPO, with the exception of certain clauses, which will survive such termination. Further, as mentioned in Part B of the AoA, the rights under the Laurus Investment Agreement shall automatically terminate and cease to have any force and effect and be deemed to fall away on and from the date of listing of the Equity Shares on the Stock Exchanges.

*Amendment letter agreement dated August 18, 2014 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company (“**Amendment Letter Agreement**”)*

Our Company executed the Amendment Letter Agreement to the Laurus Investment Agreement, whereby the parties agreed to evaluate the transactions contemplated under the Laurus Investment Agreement no later than October 17, 2014, based on the facts and circumstances existing at the time. In case the parties agreed to proceed with the transaction, the closing was to take place as envisaged under the Laurus Investment Agreement, on or before October 29, 2014, and on the same terms as the Laurus Investment Agreement, the 2014 Share Purchase Agreement (as defined below) and the Share Purchase Agreement (as defined below), or on any other terms agreed by the parties at the time. In the event that the parties agreed not to proceed with the transactions, the Laurus Investment Agreement, 2014 Share Purchase Agreement and the Share Purchase Agreement (as defined below) would stand automatically terminated.

*Amendment agreement dated October 28, 2014 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company (“**Amendment Agreement to LIA**”)*

Our Company has executed the Amendment Agreement to LIA, whereby the number of shares to be purchased by Bluewater from certain shareholders of our Company, pursuant to the Share Purchase Agreement, was modified. Accordingly, the parties amended certain terms of the Laurus Investment Agreement, including certain definitions and substitution of schedule 1 (list of other promoter group members and their associates) and schedule 2 (shareholding pattern of our Company) of the Laurus Investment Agreement.

*Amendment agreement dated August 11, 2016 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, Dr. Lakshman Rao, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company (“**Second Amendment Agreement to LIA**”)*

Our Company has executed the Second Amendment Agreement to LIA, whereby the Laurus Investment Agreement was amended, amongst other things, to enable the Offer, in terms of the specific requirements of the SEBI, the NSE and the BSE and to specify the long stop date for undertaking an initial public offering of the Company as June 30, 2017. The parties acknowledged that the Company is proposing to undertake the Offer as a qualified IPO. Further, the parties authorized certain matters in relation to the Offer. Pursuant to the Second Amendment Agreement to the LIA, Bluewater has a right to nominate one director on the Board, until such time that Bluewater continues to hold 15.0% of the fully diluted share capital of our Company, which right survives the termination of the Laurus Investment Agreement.

Investment agreement dated December 7, 2011 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, Aptuit, Aptuit LLC, FIL Capital Management and FIP (“2011 Investment Agreement”)

Our Company executed the 2011 Investment Agreement whereby, FIL Capital Management and FIP invested in our Company. While as per the Laurus Investment Agreement, the 2011 Investment Agreement has been terminated, certain clauses of the 2011 Investment Agreement survived the said termination, including, (i) an obligation on our Company to issue equity shares free and clear of encumbrances which shall rank *pari passu* in all respects with the other Equity Shares of our Company; (ii) survival of representations and warranties provided by our Company and Dr. Satyanarayana Chava, and the other parties; (iii) survival of accrued rights and obligations which have occurred prior to termination; (iv) confidentiality; (v) dispute resolution; (vi) notices; (vii) joint and several liability of the Promoter group for obligations specified in the 2011 Investment Agreement; and (viii) governing law and jurisdiction.

Share Purchase Agreements with our Company

Share Purchase Agreement dated May 2, 2014 executed between our Company, Bluewater and FIL Capital Management (“2014 Share Purchase Agreement”)

Our Company entered into the 2014 Share purchase Agreement, whereby Bluewater agreed to purchase 2,036,758 Equity Shares from FIL Capital Management for a consideration of the USD equivalent of ₹1,471,150,303 payable at the time of closing under the 2014 Share Purchase Agreement.

Share Purchase Agreement dated May 2, 2014 executed between our Company, Bluewater and certain shareholders of our Company (“Share Purchase Agreement” or “SPA”)

Our Company has entered into the Share Purchase Agreement, whereby Bluewater agreed to purchase (i) 1,694,625 Equity Shares from certain resident shareholder of our Company (including one of our Promoters, Dr. Satyanarayana Chava) for a consideration of ₹1,264,817,265; and (ii) 163,242 Series B Preference Shares from existing shareholders for a consideration of ₹121,838,932.

Amendment Agreement dated October 28, 2014 executed between our Company, Bluewater and certain shareholders of our Company (“Amendment Agreement to SPA”)

Our Company has executed the Amendment Agreement to SPA, whereby the Share Purchase Agreement was amended to, *inter alia*, amend the list of selling shareholders under the Share Purchase Agreement and to change the composition of shares being sold by Dr. Satyanarayana Chava. Accordingly, Bluewater agreed to purchase 1,294,000 Equity Shares from certain shareholders of our Company for ₹965,802,783 and 13,242 Series B Preference Shares from FIP (acting through FIL Capital Advisors) for ₹9,883,432.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not more than 14 Directors and not less than three Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 12 Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	Amal Ganguli Designation: Non-Executive, Chairman and Independent Director Address: J-6/7, DLF Phase II Gurgaon 122002 Haryana, India Occupation: Retired Professional Nationality: Indian Term: For a period of 5 years with effect from June 9, 2016 DIN: 00013808	76	Other Directorships: <i>Indian Companies</i> • Ascendas IT Park (Chennai) Limited • AVTEC Limited • HCL Technologies Limited • Hughes Communications India Limited • Information Technology Park Limited • M L Infomap Private Limited • Mangalam Cement Limited • Maruti Suzuki India Limited • New Delhi Television Limited • Risk Educators Private Limited • Triveni Turbine Limited
2.	Dr. Satyanarayana Chava Designation: Executive, Whole Time Director and Chief Executive Officer Address: H.No. 8-2-293/82/A/303, Plot No. 303 Road No. 25, Jubilee Hills Hyderabad 500 033 Telangana, India Occupation: Service Nationality: Indian Term: For a period of 5 years effective from April 01, 2015 DIN: 00211921	55	Other Directorships: <i>Indian Companies</i> • Laurus Infosystems (India) Private Limited • Nowpos M-Solutions Private Limited
3.	Dr. Raju Srihari Kalidindi Designation: Executive, Whole Time Director Address: Villa No. 3, Aparna Orchids Izzatnagar, Kondapur Hyderabad 500 084 Telangana, India Occupation: Service Nationality: Australian Term: For a period of 5 years effective from April 01, 2015	53	Other Directorships: NIL

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	DIN: 00982034		
4.	Ravi Kumar V V Designation: Executive, Whole Time Director and Chief Financial Officer Address: Villa No. 46 Lumbini SLN Springs Residency Gachibowli Hyderabad 500 032 Telangana, India Occupation: Service Nationality: Indian Term: For a period of 5 years effective from April 01, 2015 DIN: 01424180	51	Other Directorships: <i>Foreign Companies</i> Laurus Synthesis Inc.
5.	Chandrakanth Chereddi Designation: Executive, Whole Time Director Address: Plot No. 63, Prashasan Nagar Road No. 72, Jubilee Hills Hyderabad 500 096 Telangana, India Occupation: Service Nationality: Indian Term: For a period of 5 years effective from August 9, 2016 DIN: 06838798	33	Other Directorships: <i>Indian Companies</i> - Laurus Infosystems Private Limited <i>Foreign Companies</i> - Laurus Synthesis Inc.
6.	Francis Jackson Wright Designation: Non-Executive, Nominee Director Address: III Park Avenue Apartment 12C New York NY 10128 United States of America Occupation: Professional Nationality: British/ USA Term: Liable to retire by rotation DIN: 01609467	68	Other Directorships: <i>Indian Companies</i> NIL <i>Foreign Companies</i> - Exela Pharma Sciences LLC - ZenQMS LLC - Providence Service Corp.
7.	Rajesh Kumar Dugar Designation: Non-Executive, Nominee	47	Other Directorships: <i>Indian Companies</i>

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Director Address: 31, Chitrakoot Altamount Road Mumbai 400 026 Maharashtra, India Occupation: Professional Nationality: Indian Term: Liable to retire by rotation DIN: 00307729		• Eight Roads Investment Advisors Private Limited • Manthan Software Services Private Limited • Mountain Trail Foods Private Limited • PL Engineering Limited • Shreem Electric Limited • Sripan Land Development Private Limited • Trivitron Healthcare Private Limited <i>Foreign Companies</i> • Mineral Tree, Inc. • Cloud Byte, Inc.
8.	Narendra Ostawal Designation: Non-Executive, Nominee Director Address: G/601, Gundecha Gardens Bombay Gas Compoud, Lalbaug Mumbai 400 012 Maharashtra, India Occupation: Professional Nationality: Indian Term: Liable to retire by rotation DIN: 06530414	38	Other Directorships: <i>Indian Companies</i> • Capital First Limited • Warburg Pincus India Private Limited
9.	Conner Town Mulvee Designation: Non-Executive, Nominee Director Address: 233 E 17th Street Apt 4 New York, 100033608 United States of America Occupation: Professional Nationality: American Term: Liable to retire by rotation DIN: 07122602	33	Other Directorships: <i>Indian Companies</i> NIL <i>Foreign Companies</i> • AIM Holding SCA
10.	Aruna Rajendra Bhinge Designation: Non-Executive, Independent Director Address: 3501, Tower 2 Planet Godrej Keshav Khadye Road Mumbai 400 011 Maharashtra, India	58	Other Directorships: <i>Indian Companies</i> • Mahindra Agri Solutions Limited

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Occupation: Professional Nationality: Indian Term: For a period of 5 years with effect from August 16, 2016 DIN: 07474950		
11.	Dr. Rajesh Koshy Chandy Designation: Non-Executive, Independent Director Address: 5, Belgrave Mansions Belgrave Gardens London NW8 0RA United Kingdom Occupation: Professional Nationality: American Term: For a period of 5 years with effect from August 16, 2016 DIN: 07575240	46	Other Directorships: NIL
12.	Ramesh Subrahmanian Designation: Non-Executive, Independent Director Address: 235 Arcadia Road A 06-07 Singapore, 289843 Occupation: Business Executive Nationality: American Term: For a period of 5 years with effect from August 16, 2016 DIN: 02933019	55	Other Directorships: <i>Indian Companies</i> NIL <i>Foreign Companies</i> Alchemy Advisors Pte Ltd

Relationship between our Directors

Except for Chandrakanth Chereddi who is the son-in law of Dr. Satyanarayana Chava, none of our Directors are related to each other.

Brief Biographies of Directors

Amal Ganguli is a Non-Executive, Chairman and Independent Director of our Company. He has been a Director of our Company since September 7, 2012. He is a fellow member of the Institute of Chartered Accountants of England and Wales. He was associated with various firms under the aegis of Price Waterhouse India network of member firms from 1963 to 2003. He was also the senior partner of Price Waterhouse India from 1996 to 2003. He has over 40 years of experience in the field of international tax and planning, cross border investments, corporate mergers and re-organizations, financial evaluation of projects, management,

operational and statutory audit and consulting projects funded by international funding agencies.

Dr. Satyanarayana Chava is an Executive, wholetime Director and the Chief Executive Officer of our Company. He has been a Director of our Company since January 21, 2006. He holds a bachelors and masters degree in Science from Andhra University. He was also a research scholar at the College of Science and Technology, Andhra University from 1985 to 1992 and went on to obtain his Ph.D in the year 1992. He has received a honorary degree of Doctor of Science from the Gandhi Institute of Technology and Management. He also holds a post graduate diploma in quality management from the Worldwide Quality Certification and has completed the post graduate programme in management for senior executives from the Indian School of Business. He was featured on the cover page of September 2015 issue of Forbes India and our Company was recognized as one of the 13 hidden gems of India in that issue. During the last 23 years he has worked in various pharmaceutical companies including Ranbaxy Laboratories Limited, Vera Laboratories Limited and Vorin Laboratories Limited. He was also the Chief Operating Officer at Matrix Laboratories Limited, Hyderabad. Dr. Satyanarayana Chava has been determined as inventor in 103 patents granted or patent applications filed across the world.

Dr. Raju Srihari Kalidindi is an Executive, wholetime Director of our Company since April 24, 2006. He holds a bachelor's and a masters degree in Science from Andhra University and the University of Roorkee, respectively and a Ph.D from Andhra University. He has done his post-doctoral research at the University of Hawaii under professor P.J. Scheuer for two years. He has over 23 years of experience in research and pharmaceutical industry, including more than 10 years at Hospira Australia Pty Ltd in Australia. His areas of expertise include research and development, operations, sourcing and business development. Dr. Kalidindi has been determined as inventor in 11 patents granted or patent applications filed across the world.

Ravikumar V V is an Executive, wholetime Director and Chief Financial Officer of our Company. He has been a Director of our Company since November 30, 2006 and is in-charge of finance, information systems and human resources function of the Company. He has also handled the supply chain management department of our Company for a significant time. He holds a masters degree in Commerce from Andhra University. He is a member of the ICWAI. He has over 25 years of experience in the field of finance. Prior to joining our Company, he was the Vice President – Finance of Matrix Laboratories Limited.

Chandrakanth Chereddi is an Executive and wholetime Director of our Company since August 9, 2016 and has been associated with our Company since February 10, 2012 and is involved in strategy and operation of the Company. He holds a bachelors degree in Engineering (Computer Science and Engineering) from Osmania University and a masters degree in Science in Electrical and Computer Engineering from the University of Illinois. He has also completed the post graduate program in Management from the Indian School of Business, Hyderabad. He has over eight years of experience in the field of project management. Prior to joining our Company, he was an associate with McKinsey & Company.

Francis Jackson Wright is a Non-Executive, Nominee Director of our Company. He was nominated to our Board by our Promoters. He has been a Director of our Company since February 14, 2012. He undertook his studies at the Liverpool School of Management. He has several years of experience in the pharmaceutical industry. He was the co-founder and chief operating officer of Aptuit, LLC. He was also employed with Alexion Pharmaceuticals Inc. as its senior vice president.

Rajesh Kumar Dugar is a Non-Executive, Nominee Director of our Company. He has been a Director of our Company since February 14, 2012. He was jointly nominated to the board of directors by FIP and FIL Capital Management. He holds a bachelor of Arts degree from Dartmouth College and a master of Business Administration degree from the Massachusetts Institute of Technology. He is the senior partner, head of India at Eight Roads Investment Advisors Private Limited. He has several years of experience in the Indian private equity industry.

Narendra Ostawal is a Non-Executive, Nominee Director of our Company. He was nominated to our Board by Bluewater. He is a managing director of Warburg Pincus India Private Limited and is involved in the firm's investment advisory activities in India. He has been a Director of our Company since October 29, 2014. He holds a post graduate diploma in Management from the Indian Institute of Management, Bangalore. He is also a member of the ICAI. Prior to joining Warburg Pincus India Private Limited, he worked with McKinsey & Company.

Conner Town Mulvee is a Non-Executive, Nominee Director of our Company. He was nominated to our Board by Aptuit. He has been a Director of our Company since January 18, 2016. He holds a bachelor's degree in Arts

(Economics) from Amherst College. He is a Principal at Welsh Carson Anderson & Stowe. He joined Welsh, Carson, Anderson & Stowe in 2008 and focuses on investments in the healthcare, information and business services industries. Before joining Welsh, Carson, Anderson & Stowe, he worked in the investment banking division of Lehman Brothers.

Aruna Rajendra Bhinge is a Non-Executive, Independent Director of our Company. She holds a bachelor's degree and a masters degree in Science from the University of Poona and the University of Bombay respectively. She also holds a masters degree in Management Studies from the University of Mumbai. She has over 15 years of experience in the field of food security and strategic planning. She was the head of food security agenda, APAC at Syngenta India Limited.

Dr. Rajesh Koshy Chandy is a Non-Executive, Independent Director of our Company. He holds a bachelor's degree in Engineering (Electronics and Communications) from the Madurai Kamraj University, a master's degree in Business Administration from the University of Oklahoma and a Ph.D in Business Administration from the University of Southern California. He has been a professor of marketing at the London Business School and has held the Tony and Maureen Wheeler Chair in Entrepreneurship at the London Business School.

Ramesh Subrahmanian is a Non-Executive, Independent Director of our Company. He holds a bachelor's degree in Commerce from the University of Bombay. He is also a certified chartered accountant from the Institute of Chartered Accountants in England & Wales. During the last 25 years he has worked with Sanofi and its predecessor companies (Aventis, Merck, HMR, Hoechst AG and Stryker) and has experience in pharmaceuticals, medical devices and speciality chemicals. He is also the founder and director of Alchemy Advisors, an advisory firm based in Singapore.

Confirmations

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

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Dr. Satyanarayana Chava

Dr. Satyanarayana Chava was appointed as our Executive and wholetime Director pursuant to a Board resolution dated January 21, 2006. He is also the Chief Executive Officer of our Company. He was last re-appointed for a term of five years with effect from April 1, 2015 pursuant to a Board resolution dated April 30, 2015. The Shareholders have approved his re-appointment and remuneration pursuant to Shareholders resolution dated July 31, 2015. The Board and Shareholders pursuant to the resolutions dated May 6, 2016 and June 9, 2016 respectively have revised the remuneration payable to Dr. Satyanarayana Chava with effect from April 1, 2016. The details of remuneration governing his appointment are stated below:

Particulars	Remuneration
Fixed Remuneration	₹60.00 million per annum, with a 10% increase for every Financial Year (effective from 1 st April of each year)

Particulars	Remuneration						
Variable Remuneration	The variable remuneration shall be the following percentage based upon our Company's achievement of the EBITDA projection for the Financial Year (on the basis that the non-interest financial charges are deducted while calculating the EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the standalone EBITDA) ("Target"): <table> <tr> <th>Actual EBITDA as a % of the approved budget</th><th>Variable Compensation Payable</th></tr> <tr> <td>Less than 75% of the Target</td><td>Nil</td></tr> <tr> <td>75% or more of the Target</td><td>Bonus equal to the percentage of the Target achieved multiplied by the annual salary (as increased on a yearly basis)</td></tr> </table> Provided that the amount of bonus paid will not exceed 120% of the annual salary	Actual EBITDA as a % of the approved budget	Variable Compensation Payable	Less than 75% of the Target	Nil	75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by the annual salary (as increased on a yearly basis)
Actual EBITDA as a % of the approved budget	Variable Compensation Payable						
Less than 75% of the Target	Nil						
75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by the annual salary (as increased on a yearly basis)						
Benefits	The Chief Executive Officer is entitled to participate, along with other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including car, leave travel allowance, gratuity, medical, health, insurance plans but excluding employee stock option plans. The Chief Executive Officer shall also be provided with one recognized club membership of his choice for himself and his family at Hyderabad.						

Dr. Raju Srihari Kalidindi

Dr. Raju Srihari Kalidindi was appointed as our Executive, wholetime Director, pursuant to a Board resolution dated April 24, 2006. He was last re-appointed for a term of five years with effect from April 1, 2015 pursuant to a Board resolution dated April 30, 2015. The Shareholders have approved his re-appointment and remuneration pursuant to Shareholders resolution dated July 31, 2015. The Board and Shareholders pursuant to the resolutions dated May 6, 2016 and June 9, 2016 respectively have revised the remuneration payable to Dr. Raju Srihari Kalidindi with effect from April 1, 2016. The details of remuneration governing his appointment are stated below:

Particulars	Remuneration						
Fixed Remuneration	₹15.40 million per annum, with a 10% increase for every Financial Year (effective from 1 st April of each year)						
Variable Remuneration	The variable remuneration shall be the following percentage based upon our Company's achievement of the Target: <table> <tr> <th>Actual EBITDA as a % of the approved budget</th><th>Variable Compensation Payable</th></tr> <tr> <td>Less than 75% of the Target</td><td>Nil</td></tr> <tr> <td>75% or more of the Target</td><td>Bonus equal to the percentage of the Target achieved multiplied by 50% of the annual salary (as increased on a yearly basis)</td></tr> </table> Provided that the amount of bonus paid will not exceed 60% of the annual salary	Actual EBITDA as a % of the approved budget	Variable Compensation Payable	Less than 75% of the Target	Nil	75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by 50% of the annual salary (as increased on a yearly basis)
Actual EBITDA as a % of the approved budget	Variable Compensation Payable						
Less than 75% of the Target	Nil						
75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by 50% of the annual salary (as increased on a yearly basis)						
Benefits	The Executive Director is entitled to participate, along with other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including car, leave travel allowance, gratuity, medical, health, insurance plans but excluding employee stock option plans. The Executive Director shall be provided also with one recognized club membership of his choice for himself and his family at Hyderabad.						

Ravi Kumar V V

Ravi Kumar V V was appointed as our Executive, whole-time Director, pursuant to a Board resolution dated November 30, 2006. He is also the Chief Financial Officer of our Company. He was last re-appointed for a term of 5 years with effect from April 1, 2015 pursuant to a Board resolution dated April 30, 2015. The Shareholders have approved his re-appointment and remuneration pursuant to Shareholders resolution dated July 31, 2015.

The Board and Shareholders pursuant to the resolutions dated May 6, 2016 and June 9, 2016 respectively have revised the remuneration payable to Ravi Kumar V V with effect from April 1, 2016. The details of remuneration governing his appointment are stated below:

Particulars	Remuneration						
Fixed Remuneration	₹15.40 million per annum, with a 10% increase for every Financial Year (effective from 1 st April of each year)						
Variable Remuneration	The variable remuneration shall be the following percentage based upon our Company's achievement of the Target: <table> <tr> <th>Actual EBITDA as a % of the approved budget</th><th>Variable Compensation Payable</th></tr> <tr> <td>Less than 75% of the Target</td><td>Nil</td></tr> <tr> <td>75% or more of the Target</td><td>Bonus equal to the percentage of the Target achieved multiplied by 50% of the annual salary (as increased on a yearly basis)</td></tr> </table> Provided that the amount of bonus paid will not exceed 60% of the annual salary	Actual EBITDA as a % of the approved budget	Variable Compensation Payable	Less than 75% of the Target	Nil	75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by 50% of the annual salary (as increased on a yearly basis)
Actual EBITDA as a % of the approved budget	Variable Compensation Payable						
Less than 75% of the Target	Nil						
75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by 50% of the annual salary (as increased on a yearly basis)						
Benefits	The Executive Director is entitled to participate, along with other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including car, leave travel allowance, gratuity, medical, health, insurance plans but excluding employee stock option plans. The Executive Director shall also be provided with one recognized club membership of his choice for himself and his family at Hyderabad.						

Chandrakanth Chereddi

Chandrakanth Chereddi was appointed as our Executive and wholetime Director pursuant to a Board resolution dated August 9, 2016. He is appointed for a term of 5 years with effect from August 9, 2016 pursuant to a Board resolution dated August 9, 2016. The Shareholders have approved his appointment and remuneration pursuant to Shareholders resolution dated August 11, 2016. The details of remuneration governing his appointment are stated below:

Particulars	Remuneration						
Fixed Remuneration	₹5.5 million per annum, with a 10% increase for every Financial Year (effective from 1 st April of each year)						
Variable Remuneration	The variable remuneration shall be the following percentage based upon our Company's achievement of the Target: <table> <tr> <th>Actual EBITDA as a % of the approved budget</th><th>Variable Compensation Payable</th></tr> <tr> <td>Less than 75% of the Target</td><td>Nil</td></tr> <tr> <td>75% or more of the Target</td><td>Bonus equal to the percentage of the Target achieved multiplied by 40% of the annual salary (as increased on a yearly basis)</td></tr> </table> Provided that the amount of bonus paid will not exceed 48% of the annual salary	Actual EBITDA as a % of the approved budget	Variable Compensation Payable	Less than 75% of the Target	Nil	75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by 40% of the annual salary (as increased on a yearly basis)
Actual EBITDA as a % of the approved budget	Variable Compensation Payable						
Less than 75% of the Target	Nil						
75% or more of the Target	Bonus equal to the percentage of the Target achieved multiplied by 40% of the annual salary (as increased on a yearly basis)						
Benefits	The Executive Director is entitled to participate, along with other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including car, leave travel allowance, gratuity, medical, health, insurance plans but excluding employee stock option plans. The Executive Director shall also be provided with one recognized club membership of his choice for himself and his family at Hyderabad.						

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2016 are as follows:

1. Remuneration to Executive Directors:

Our Company has paid ₹77.03 million, ₹23.04 million and ₹23.04 million as remuneration to Dr. Satyanarayana Chava, Dr. Raju Srihari Kalidindi and Ravi Kumar V V, respectively, in Financial Year 2016. Chandrakanth Chereddi was paid a gross compensation of ₹6.35 million in his capacity as the Senior Vice President – Synthesis of our Company.

2. **Remuneration to Non-Executive Directors:**

Our Company has pursuant to a Board resolution dated July 15, 2016 fixed the sitting fees payable to our non-executive and independent Directors at ₹50,000 per meeting for attending the meetings of our Board and committees thereof with effect from August 1, 2016.

In addition to the above, our Company has pursuant to a Board and Shareholders resolution dated July 15, 2016 and July 20, 2016, respectively fixed the remuneration payable to our non-executive and independent Directors as an annual remuneration/ commission not exceeding 1% of the net profits of our Company in the previous Financial Year.

Our Company has not paid any sitting fees in Financial Year 2016. Other than as disclosed above, our Company has not paid sitting fees to any of our other Non-Executive Directors. Other than Amal Ganguly and Francis Jackson Wright who were paid ₹2.40 million and ₹3.80 million, respectively, in the Financial Year 2016, our Company has not paid any remuneration to the Non-Executive Directors. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Francis Jackson Wright has been appointed to our Board by our Promoters, Conner Town Mulvee has been appointed to our Board by our Shareholder Aptuit, Rajesh Kumar Dugar has been appointed to our Board by our Shareholders FIL Capital Management and FIP and Narendra Ostawal has been appointed to our Board by our Shareholder Bluewater, pursuant to the terms of the Laurus Investment Agreement. For further details, see “History and Certain Corporate Matters” on page 186.

Except as disclosed above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors in our Company

Our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)
Dr. Satyanarayana Chava	16,781,704	17.02
Dr. Raju Srihari Kalidindi	5,200,000	5.27
Ravi Kumar V V	1,600,000	1.62

Shareholding of Directors in our Subsidiary and Associate Company

None of our Directors hold any equity shares in our Subsidiary and Associate Company.

Appointment of relatives of our Directors to any office or place of profit

Except for C. Narasimha Rao and Chandrakanth Chereddi who is the brother and son in law respectively of Dr. Satyanarayana Chava, none of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of Directors

Our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board or committees thereof as well as to the extent of other remuneration and reimbursement of expenses payable under our Articles of Association. Some of our Directors may hold positions as directors on boards of our Subsidiary and our Group Entity, and as heads of certain business

verticals. In consideration for their services, they are paid managerial remuneration in accordance with the provisions of the Companies Act.

Except as stated in “Related Party Transactions” on page 221, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Director, Ravi Kumar V V has leased out the site measuring 530 sq. yards or 485 sq. mtrs being undecided and unspecified share out of the total extent of the site measuring 2,548 sq. ft. bearing door no. 31-51-5/61, House No. 25 with one car parking space at Ground Floor, Green City, Ward No. 58, within the limit of greater Visakhapatnam Municipal Corporation and Visakhapatnam Registered Sub District to our Company for a period of 5 years commencing from January 1, 2016 to December 31, 2020 pursuant to a lease deed dated December 31, 2015. For further details see “Our Promoters and Promoter Group” on page 214.

Except as mentioned above, our Directors have no interest in any property acquired by our Company two years prior to the date of the Draft Red Herring Prospectus, or proposed to be acquired by our Company.

Further, except as mentioned above, our Directors have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

The Executive Directors may also be regarded as interested in the Equity Shares held by them or Equity Shares that may be subscribed by or allotted to them. All of our Directors may also be deemed to be interested to the extent of remuneration (if applicable), reimbursement of expenses (if applicable), to the extent of any Equity Shares held by them (if applicable) and to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship. Our nominee Directors may be interested to the extent of any Equity Shares held by FIP, FIL Capital Management and Bluewater, as the case may be, to the extent of benefits arising out of such shareholding. Further, Rajesh Kumar Dugar may be also deemed to be interested to the extent of any benefits accruing to the beneficiaries of FIP.

Other than Dr. Satyanarayana Chava, Dr. Raju Srihari Kalidindi and Ravi Kumar V V who are our Promoters and are interested as disclosed in “Promoters and Promoter Group” on page 214, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors and/or as Key Management Personnel.

No loans have been availed by our Directors from our Company.

Except as disclosed in “Related Party Transactions” on page 221, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of our Directors is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Dr. Satyanarayana Chava, Dr. Raju Srihari Kalidindi and Ravi Kumar V V.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

One of our Directors, Rajesh Kumar Dugar is a beneficiary of FIP, which is offering Equity Shares in the Offer for Sale (acting through FIL Capital Advisors), and accordingly, he may be deemed to be interested to the extent of the proceeds from the Offer for Sale which are received by FIP.

Changes in the Board in the last three years

Name	Date of Appointment/Change/Cessation	Reason
Ramesh Subrahmanian	August 16, 2016	Appointment as independent Director
Dr. Rajesh Koshy Chandy	August 16, 2016	Appointment as independent Director
Aruna Rajendra Bhinge	August 16, 2016	Appointment as independent Director

Name	Date of Appointment/Change/Cessation	Reason
Chandrakanth Chereddi	August 11, 2016	Appointment as Executive, wholetime Director
Ramesh Subrahmanian	August 9, 2016	Appointment as additional director
Chandrakanth Chereddi	August 9, 2016	Appointment as additional director
Niten Malhan	August 9, 2016	Resignation as nominee director of Bluewater
Dr. Robert Weisskoff	August 9, 2016	Resignation as nominee director of FIP and FIL Capital Management
Dr. Rajesh Koshy Chandy	July 27, 2016	Appointment as additional Director
Aruna Rajendra Bhinge	July 7, 2016	Appointment as additional Director
Amal Ganguli	June 9, 2016	Appointment as independent Director
Conner Town Mulvee	February 11, 2016	Appointment as Director
Conner Town Mulvee	January 18, 2016	Appointment as additional director
Conner Town Mulvee	July 31, 2015	Vacation of office under section 161 of the Companies Act, 2013
Conner Town Mulvee	March 24, 2015	Appointment as additional Director
Brian Regan	March 24, 2015	Resignation as nominee director of Aptuit
Dr. Prem Pavoor	February 10, 2015	Cessation as alternate director to Rajesh Kumar Dugar
Dr. Prem Pavoor	November 21, 2014	Appointment as alternate director to Rajesh Kumar Dugar
Narendra Ostwal	October 29, 2014	Appointment as nominee director of Bluewater
Niten Malhan	October 29, 2014	Appointment as nominee director of Bluewater
Dr. Prem Pavoor	September 25, 2014	Cessation as alternate director to Rajesh Kumar Dugar
Dr. Prem Pavoor	August 28, 2014	Appointment as alternate director to Rajesh Kumar Dugar
Dr. Prem Pavoor	May 26, 2014	Cessation as alternate director to Rajesh Kumar Dugar
Dr. Prem Pavoor	May 2, 2014	Appointment as alternate director to Rajesh Kumar Dugar

Borrowing Powers of Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on June 9, 2016, the Board is authorised to borrow such sum or sums of money or monies, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/monies so borrowed by our Board shall not at any time exceed the limit of ₹20,000 million.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team, constitution of the Board committees and formulation of policies, each as required under law, including the SEBI Listing Regulations. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance particularly in relation to constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Currently, our Board has 12 Directors, headed by the Chairman who is a non-executive director. In compliance with the requirements of the SEBI Listing Regulations, we have four Executive Directors, eight Non-Executive Directors including four independent Directors on our Board. Our Board also has one woman Director.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Amal Ganguli, *Chairman*;
2. Ravi Kumar V V; and
3. Ramesh Subrahmanian.

The Audit Committee was constituted by a meeting of the Board of Directors held on February 14, 2012 and was last re-constituted and renamed as the “Audit Committee” by a meeting of the Board of Directors held on February 11, 2016. The terms of reference of the Audit Committee were last revised by a meeting of the Board of Directors on August 9, 2016. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

- a) Overseeing our Company’s financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Reviewing and monitoring the auditor’s independence and performance and the effectiveness of audit process;
- d) Approving of payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be stated in the Director’s responsibility statement to be included in the Board’s report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions; and
 - vii) Qualifications and modified opinions in the draft audit report.
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- g) Scrutinizing of inter-corporate loans and investments;
- h) Evaluating internal financial controls and risk management systems;
- i) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- j) Approving or subsequently modifying transactions of our Company with related parties;
- k) Evaluating undertakings or assets of our Company, wherever necessary;
- l) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) Discussing with internal auditors on any significant findings and follow up thereon;
- p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- q) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) Approving appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- u) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and
- v) Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time.

The powers of the Audit Committee include the following:

- a) To investigate activity within its terms of reference;
- b) To seek information from any employees;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and result of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor; and
- f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted

to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

- (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations

The Audit Committee is required to meet at least four times in a year under the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Ramesh Subrahmanian, *Chairman*;
2. Amal Ganguli; and
3. Francis Jackson Wright

The Nomination and Remuneration Committee was constituted as the Compensation Committee by a meeting of the Board of Directors held on February 14, 2012. The terms of reference of the Nomination and Remuneration Committee were last revised by a meeting of the Board of Directors on August 9, 2016. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

- a) Formulating 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;
- b) Formulation of criteria for evaluation of independent directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- k) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

- l) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Francis Jackson Wright, *Chairman*
2. Ravi Kumar V V;
3. Dr. Raju Srihari Kalidindi; and
4. Chandrakanth Chereddi

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on February 11, 2016 and last reconstituted on August 9, 2016. The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee was last revised by our Board of Directors on August 9, 2016 include the following:

- a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;
- b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- d) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and
- e) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Ravi Kumar V V, *Chairman*;
2. Dr. Raju Srihari Kalidindi;
3. Narendra Ostawal; and
4. Amal Ganguli

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on April 29, 2014 and last reconstituted on August 9, 2016. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder.

Risk Management Committee

The members of the Risk Management Committee are:

1. Dr. Satyanarayana Chava, *Chairman*;
2. Dr. Raju Srihari Kalidindi;
3. Ravi Kumar V V;
4. Narendra Ostawal;
5. Chandrakanth Chereddi; and

6. Rajesh Koshy Chandy

The Risk Management Committee was constituted by our Board of Directors on February 11, 2016 and was last reconstituted on August 9, 2016. The Risk Management Committee has the function of monitoring and reviewing the risk management plan.

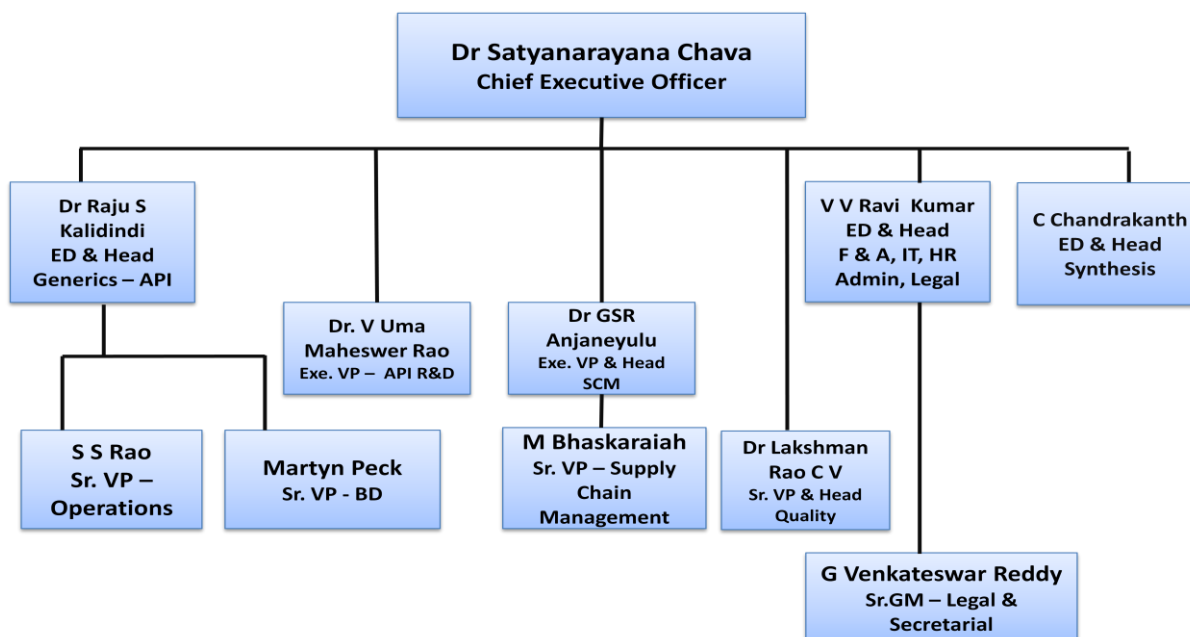
IPO Committee

The members of the IPO Committee are:

1. Dr. Satyanarayana Chava, *Chairman*;
2. Ravi Kumar V V;
3. Rajesh Kumar Dugar; and
4. Narendra Ostawal

The IPO Committee was constituted by our Board of Directors on July 7, 2016. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company are as follows:

Dr. Satyanarayana Chava is the Executive, wholetime Director and Chief Executive Officer of our Company. For further details, in relation to Dr. Satyanarayana Chava, see “Our Management – Brief Biographies of Directors” on page 199.

Dr. Raju Srihari Kalidindi is an Executive, wholetime Director of our Company. For further details, in relation to Dr. Raju Srihari Kalidindi, see “Our Management – Brief Biographies of Directors” on page 199.

Ravikumar V V is an Executive, wholetime Director and Chief Financial Officer of our Company. For further details, in relation to Ravikumar V V, see “Our Management – Brief Biographies of Directors” on page 199.

Chandrakanth Chereddi is an Executive, wholtime Director of our Company. For further details, in relation to Chandrakanth Chereddi, see “Our Management – Brief Biographies of Directors” on page 199.

Dr. Lakshmana Rao C V is the Senior Vice President - Quality of our Company and has been associated with our Company since February 7, 2007. He holds a bachelors degree in Science from the Nagarjuna University and a masters degree in Science and a Ph.D from the Andhra University. He has over 13 years of experience in the fields of product development. Prior to joining our Company, he was associated with Mayne Health Pty Ltd. During Financial Year 2016, he was paid a gross compensation of ₹6.78 million.

Dr. GSR Anjaneyulu is the Executive Vice President - Supply Chain Management of our Company and has been associated with our Company since February 5, 2007. He holds a masters degree in Science (Chemistry) and a Ph.d from Maharshi Dayanand University. He has over 23 years of experience in the field of research and development. Prior to joining our Company, he was the associate vice president of research and development department at Matrix Laboratories Limited. During Financial Year 2016, he was paid a gross compensation of ₹13.10 million.

M. Bhaskaraiah is the Senior Vice President – Supply Chain Management of our Company and has been associated with our Company since April 5, 2007. He holds a bachelors degree in Technology (Chemical Engineering) from Sri Venkateswara University. He has over 25 years of experience in the field of production planning and control. Prior to joining our Company, he was the general manager in the production planning and control department at Matrix Laboratories Limited. During Financial Year 2016, he was paid a gross compensation of ₹11.14 million.

Martyn Oliver James Peck is the Senior Vice President – Business Development of our Company and has been associated with our Company since August 18, 2008. He holds a bachelors degree in Science in Biological and Medicinal Chemistry from University of Essex. He has over 15 years of experience in the field of sourcing and business development. Prior to joining our Company, he was the Head of API sourcing of Mayne Health Pty Ltd. During Financial Year 2016, he was paid a gross compensation of £0.15 million.

Srinivasa Rao S is the Senior Vice President – Operations of Manufacturing of our Company and has been associated with our Company since April 2, 2008. He holds a bachelors degree in Science from Nagarjuna University. He has over 21 years of experience in the field of production. Prior to joining our Company, he was the associate vice president of the production department at Matrix Laboratories Limited. During Financial Year 2016, he was paid a gross compensation of ₹12.17 million.

Dr. V Uma Maheswer Rao is the Executive Vice President (API R&D) of our Company and has been associated with our Company since June 9, 2016. He holds a masters degree in Science and a Ph.D from Osmania University. He has several years of experience in the fields of process research and development and API manufacturing process. Prior to joining our Company, he was the executive director of Sriam Labs. Since he joined our Company on June 9, 2016, he was not paid any remuneration in Financial Year 2016.

G Venkateshwar Reddy is the Company Secretary & Senior General Manager (Legal & Secretarial) of our Company and has been associated with our Company since December 1, 2015. He holds bachelors degrees in Commerce and Law and a masters degree in Arts from Osmania University. He is also a fellow member of the ICSI. He has over 13 years of experience in the field of company secretarial, legal and financial matters. Prior to joining our Company, he was the general manager in the company secretarial department of IL&FS Engineering and Construction Company Limited. During Financial Year 2016, he was paid a gross compensation of ₹1.14 million.

None of the Key Management Personnel are related to each other, save and except Chandrakanth Chereddi, who is the son-in-law of Dr. Satyanarayana Chava, our Promoter and Executive, wholtime Director and Chief Executive Officer.

All the Key Management Personnel are permanent employees of our Company .

Shareholding of Key Management Personnel

The details of Equity Shares held by our Key Management Personnel as of the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares	Percentage Shareholding (%)
Dr. Satyanarayana Chava	16,781,704	17.02

Name	Number of Equity Shares	Percentage Shareholding (%)
Dr. Raju Srihari Kalidindi	5,200,000	5.27
Ravi Kumar V V	1,600,000	1.62
Dr. Lakshmana Rao C V	2,300,000	2.33
Dr. GSR Anjaneyulu	260,000	0.26
M Bhaskaraiah	120,000	0.12
Srinivasa Rao S	120,000	0.12
Martyn Oliver James Peck	80,000	0.08

Bonus or profit sharing plan of the Key Management Personnel

With the exception of Dr. Satyanarayana Chava, Dr. Raju Srihari Kalidindi, Ravikumar V V and Chandrakanth Chereddi, none of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel. For details, see “Terms of appointment of Executive Directors” on page 201.

Interests of Key Management Personnel

Except as disclosed above in relation to our Executive Directors, the Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. For details, see “Interests of Directors” on page 204. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Dr. V Uma Maheswer Rao	Executive Vice President (API R&D)	June 9, 2016	Appointment
Janaki S	Company Secretary	January 18, 2016	Resignation
G Venkateshwar Reddy	Company Secretary & Senior General Manager (Legal & Secretarial)	January 18, 2016	Appointment
Janaki S	Company Secretary	November 1, 2015	Appointment
Nagaraj Kumar A	Company Secretary	May 8, 2015	Resignation

Payment or Benefit to officers of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as an officer of our Company.

Employee Stock Option Plans

For details, see “Capital Structure” on page 67.

OUR PROMOTERS AND PROMOTER GROUP

Dr. Satyanarayana Chava, Naga Rani Chava, Dr. Raju Srihari Kalidindi, Ravi Kumar V V and Dr. Lakshmana Rao C V are the Promoters of our Company.



Dr. Satyanarayana Chava

Dr. Satyanarayana Chava, aged 55 years, is the Executive, Whole Time Director and Chief Executive Officer of our Company. He is a resident Indian national. For further details of his educational qualifications, personal address, experience, positions and posts held in the past, other directorships and special achievements, see “Our Management” on page 196.

Other than S3V Vascular Technologies Private Limited, Laurus Infosystems (India) Private Limited and Eukti Learning Solutions Private Limited, Dr. Satyanarayana Chava is not involved in any other ventures.

His driving license number is 569121997OD and his voter’s identification card number is TDZ0118752.



Naga Rani Chava

Naga Rani Chava, aged 51 years, is a resident Indian national. She is a resident of H.No. 8-2-293/82/A/303, Plot No. 303, Road No. 25, Jubilee Hills, Hyderabad – 500 033, Telangana, India. She holds a bachelors degree in Arts from Nagarjuna University. She is a homemaker and is not involved in the day to day management of our Company. She is currently a director in Laurus Infosystems (India) Private Limited and Theia Jewellery Private Limited.

Other than Laurus Infosystems (India) Private Limited, Theia Jewellery Private Limited and SSV Constructions, Naga Rani Chava is not involved in any other ventures.

Her voter’s identification card number is TDZ0118786. She does not hold a driving license.



Dr. Raju Srihari Kalidindi

Dr. Raju Srihari Kalidindi, aged 53 years, is an Executive, Whole Time Director of our Company. He is an Australian national. For further details of his educational qualifications, personal address, experience, positions and posts held in the past, other directorships and special achievements, see “Our Management” on page 196.

His driving license number DLFAP009250552006. He does not hold a voter’s identification card.



Ravi Kumar V V

Ravi Kumar V V, aged 51 years, is an Executive, Whole Time Director and Chief Financial Officer of our Company. He is a resident Indian national. For further details of his educational qualifications, personal address, experience, positions and posts held in the past, other directorships and special achievements, see “Our Management” on page 196.

His driving license number is AP00920120018714 and his voter’s identification card number is GBZ6919120.



Dr. Lakshmana Rao C V

Dr. Lakshmana Rao C V, aged 54 years is an Australian national. He currently resides at 8-2-334, Road No. 7, Banjara Hills, Hyderabad 500 034, Telangana, India. For further details of his educational qualifications, personal address, experience, positions and posts held in the past, other directorships and special achievements, see “Our Management” on page 196.

His driving license number is 10470VIZAG1988. He does not hold a voter’s identification card.

Dr. Raju Srihari Kalidindi, Ravi Kumar V V and Dr. Lakshmana Rao CV are not involved in any other ventures.

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Interests of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or their relatives; (iii) of being Executive Directors and Key Management Personnel of our Company and the remuneration payable by our Company to them; (iv) that they have provided personal guarantees for the loans availed by our Company; (v) of being subscribers to the Memorandum of Association; (v) of their relatives having been appointed to places of profit in our Company; and (vi) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares. For details regarding the shareholding of our Promoters in our Company, see “Capital Structure”, “Our Management” and “Related Party Transactions” on pages 67, 196 and 221, respectively.

Interests of Promoters in property of our Company

Pursuant to a lease deed dated December 31, 2015, one of our Promoter, Ravi Kumar V V has leased out the site measuring 530 sq. yards or 485 sq. mtrs being undecided and unspecified share out of the total extent of the site measuring 2,548 sq. ft. bearing door no. 31-51-5/25, Ground Floor, House No. 25 with one car parking space at Green City, Ward No. 58, within the limit of greater Visakhapatnam Municipal Corporation and Visakhapatnam Registered Sub District to our Company for a period of five years commencing from January 01, 2016 to December 31, 2020. For further details, see “Related Party Transactions” on page 221.

Except as stated above, our Promoters have no interest in any property acquired by our Company during the two years immediately preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

Our Promoters are interested in our Company to the extent of their shareholding. Except as disclosed below, our Promoters are not interested in our Subsidiary and our Group Entity with which our Company transacts during the course of its operations. For details see “History and Certain Corporate Matters” and “Our Group Entity” on pages 186 and 219, respectively.

Two of our Promoters, Dr. Satyanarayana Chava and Naga Rani Chava are shareholders and directors in Laurus Infosystems (India) Private Limited, which is our Group Entity, not having common pursuits as our Company. For details, see “Our Group Entity” on page 219.

Our Promoters are not interested in our Subsidiary, which is involved in activities similar to those conducted by our Company. There are common pursuits between our Company and our Subsidiary and Associate Company.

We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details, see “History and Certain Corporate Matters”, “Our Group Entity” and “Related Party Transactions” on pages 186, 219 and 221, respectively.

None of our Promoters are interested as a member of a firm or company and no sum has been paid or agreed to be paid to any of our Promoters or to any such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise, for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

Related Party Transactions

For details of related party transactions entered into by our Promoters, Promoter Group, our Company, Subsidiary and our Group Entity during the last Financial Year, the nature of transactions and the cumulative value of transactions, see “Related Party Transactions” on page 221.

Interest of Promoters in Sales and Purchases

There are no sales/purchases between our Company and our Group Entity, our Subsidiary and our Associate Company when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Subsidiary and our Group Entity as on the date of the last financial statements.

Payment or benefits to our Promoters or our Promoter Group

Our Company has entered into the following lease agreements with one of our Promoters and a member of our Promoter Group:

Sr. No.	Lessor	Date of agreement	Location of property	Monthly lease rental (in ₹)	Lease period	Purpose
1.	Ravi Kumar V V	December 31, 2015	Door No. 31-51-5/61, House No. 25, Ground Floor, Green City, Ward No. 58, Visakhapatnam	56,000*	January 1, 2016 – December 31, 2020	Operating guest house of our Company
2.	Soumya**	December 31, 2015	Door No. 31-51-5/30, House No. 30, Green City, Ward No. 58, Visakhapatnam	56,000*	January 1, 2016 – December 31, 2020	Operating guest house of our Company
3.	Soumya	December 31, 2015	Door No. 31-51-5/61, House No. 61, Ground Floor, Green City, Ward No. 58, Visakhapatnam	56,000*	January 1, 2016 – December 31, 2020	Operating guest house of our Company

*With an increase of 10% per annum

** Pursuant to sub-lease agreement dated December 31, 2015 executed between Soumya and our Company, Soumya has leased the said property from one of our Promoters, Naga Rani Chava as per lease deed dated December 31, 2015 for a monthly lease rental of ₹47,520, with an increase of 10% per annum for the period between January 1, 2016 and December 31, 2020

Except payment of salary to C Narasimha Rao, who is an employee of the Company and the brother of our Promoter Dr. Satyanarayana Chava and brother-in-law of our Promoter Naga Rani Chava and S Narasimha Rao, who is an employee of our Company and the brother of our Promoter, Naga Rani Chava and brother-in-law of Dr. Satyanarayana Chava and except as stated in “Related Party Transactions” and “Our Management” on pages 221 and 196 respectively, there has been no payment or benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Litigation involving our Promoters

As on the date of this Draft Red Herring Prospectus, there are no legal and regulatory proceedings involving our Promoters.

Confirmations

Our Promoters and their relatives have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in “Related Party Transactions” on page 221, our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Companies with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any company in the last three years preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Name of Promoter	Name of entity	Reason for disassociation	Consideration (in ₹)	Date of disassociation
1.	Dr. Satyanarayana Chava	Nowpos Solutions Private Limited	Sale of 3,360,841 equity shares	3,360,841	October 28, 2014
2.	Ravi Kumar V V	Nowpos Solutions Private Limited	Sale of 100,000 equity shares	100,000	October 28, 2014

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

Our Promoter Group

A. Natural persons who are part of the Promoter Group

Name of Promoter	Name of relative	Relationship
Dr. Satyanarayana Chava	Naga Rani Chava	Spouse
	Chava Rama Rao	Father
	Chava Tulasamma	Mother
	C Narsimha Rao	Brother
	Kommana Kamala	Sister
	Vasireddy Krishnaveni	Sister
	Suryadevara Rama	Sister
	C Krishna Chaitanya	Son
	C Soumya	Daughter
	S Venkataravamma	Spouse's Mother
	S Narasimha Rao	Spouse's Brother
	S Sambasiva Rao	Spouse's Brother
	S Srinivasa Rao	Spouse's Brother
Naga Rani Chava	Dr. Satyanarayana Chava	Spouse
	S Venkataravamma	Mother
	S Narasimha Rao	Brother
	S Sambasiva Rao	Brother
	S Srinivasa Rao	Brother
	C Krishna Chaitanya	Son
	Soumya	Daughter
	Chava Rama Rao	Spouse's Father
	Chava Tulasamma	Spouse's Mother
	C Narsimha Rao	Spouse's Brother
	Kommana Kamala	Spouse's Sister
	Vasireddy Krishnaveni	Spouse's Sister

Name of Promoter	Name of relative	Relationship
Dr. Raju Srihari Kalidindi	Suryadevara Rama	Spouse's Sister
	Rajam Raju Kalidindi	Father
	Pavan Kalidindi	Son
	Suraj Kalidindi	Son
	Chalapathi Raju Kalidindi	Brother
	Ch. Vijaya Durga	Sister
	Ch. Jaya Padma	Sister
	Latha Swarna Kalidindi	Spouse
	Penumatcha Appala Narasimha Raju	Spouse's Father
	Penumatcha Satyavathi	Spouse's Mother
	Annapurna Penumatcha	Spouse's Sister
	Padmavathi Penumatcha	Spouse's Sister
	Satyavani Kalidindi	Spouse's Sister
Ravi Kumar V V	V Hymavathi	Spouse
	V Deepika	Daughter
	V Surya	Son
	V Jayalakshmi	Mother
	V Eswara Rao	Brother
	A Kanya Kumari	Sister
	G Sudha Rani	Sister
	R V Prasada Rao	Spouse's Father
	R Chandramouli	Spouse's Brother
Dr. Lakshmana Rao C V	R Hemanth Kumar	Spouse's Brother
	Madhuri Devi Chunduru	Spouse
	Ravi Teja Chunduru	Son
	Sai Tarun Chunduru	Son
	Mallikarjuna Rao CH	Father
	Sekhar Babu CH	Brother
	Naga Mani T	Sister
	Sambasivarao Garimella	Spouse's Father
	Jayapradha Garimella	Spouse's Mother
	Vijaya Saradhi Garimella	Spouse's Brother

B. Entities forming part of the Promoter Group

- (i) Chava Satyanarayana (HUF);
- (ii) Clavita Pharma Private Limited;
- (iii) Eukti Learning Solutions Private Limited;
- (iv) Laurus Infosystems (India) Private Limited;
- (v) S3V Vascular Technologies Private Limited;
- (vi) SSV Constructions;
- (vii) Theia Jewellery Private Limited;
- (viii) Ravi Kumar V V (HUF); and
- (ix) NowPos M-Solutions Private Limited

OUR GROUP ENTITY

The definition of ‘group companies’ was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated August 9, 2016, the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that other than the current and erstwhile subsidiaries of the Company and Bluewater, all companies which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Consolidated Financial Statements are identified as group entities.

Further, pursuant to the same Board resolution, our Board resolved that Sriam Labs our Associate Company, as on August 9, 2016, shall not be identified as a group entity in this Draft Red Herring Prospectus, in light of the FIPB application dated June 8, 2016 made by the Company for acquisition of the balance 73.0% shareholding in Sriam Labs. For further details see, “History and Certain Corporate Matters” on page 186. Accordingly, Laurus Infosystems (India) Private Limited (“**LI IPL**”) has been identified as a Group Entity and our Board has approved that other than LI IPL, there are no companies which are considered material by the Board to be identified as a group entity.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

A. Details of our Group Entity

1. Laurus Infosystems (India) Private Limited

LI IPL was incorporated on January 10, 2014 under the Companies Act, 1956 as a private limited company. LI IPL is engaged, *inter alia*, in the business of production and development of internet programs, products, services and applications.

Interest of our Promoters

Our Promoters, Dr. Satyanarayana Chava and Naga Rani Chava hold 3,115,992 and 750,000 equity shares of face value of ₹10 each constituting 80.60% and 19.40%, respectively, of the issued and paid up share capital of LI IPL.

Financial Information

(in ₹million, except per share data)

Particulars	For the Financial Year	
	2015	2014
Equity Capital	38.66	38.66
Reserves (excluding revaluation reserves) and Surplus	(5.30)	(3.61)
Revenue from Operations and Other Income	142.05	11.12
Profit/(Loss) after Tax	(1.35)	(3.61)
Basic EPS (in ₹)	(0.35)	(0.94)
Diluted EPS (in ₹)	(0.35)	(0.94)
Net asset value per share (in ₹)	8.63	9.06

Significant notes of auditors of LI IPL for the last two Financial Years

There are no significant notes of the auditors for the last two Financial Years.

B. Details of Group Entity with negative net worth

Our Group Entity does not have a negative net worth.

Nature and Extent of Interest of our Group Entity

(a) ***In the promotion of our Company***

Our Group Entity does not have any interest in the promotion of our Company.

Except as disclosed in “Related Party Transactions” on page 221, our Group Entity or Subsidiary does not have any business interest in our Company.

(b) ***In the properties acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired***

Our Group Entity is not interested in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Entity is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Entity and our Company

There are no common pursuits between our Group Entity and our Company.

Related Business Transactions within the Group Entity and significance on the financial performance of our Company

For further information, see “Related Party Transactions” on page 221.

Significant Sale/Purchase between our Group Entity and our Company

Our Group Entity is not involved in any sales or purchase with our Company where such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company.

Business Interest of our Group Entity

Except for certain business contracts that our Company has entered into with our Group Entity, our Group Entity does not have any business interest in our Company. For details, see “Related Party Transactions” on page 221.

Defunct Group Entity

Our Group Entity is not and has never been defunct and no application has been made to the registrar of companies for striking off the name of our Group Entity during the five years preceding the date of filing of the Draft Red Herring Prospectus with SEBI. Further, our Group Entity does not fall under the definition of sick companies under SICA and is not under winding up.

None of the securities of our Group Entity are listed on any stock exchange and our Group Entity has not made any public or rights issue of securities in the preceding three years.

Our Group Entity has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Our Group Entity has not been identified as a Wilful Defaulter.

Our Group Entity has made a loss in Financial Years 2015 and 2014. For details see, “Details of our Group Entity”, at page 219 above.

Litigation

There are no legal proceedings involving our Group Entity, as on the date of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' during the last five Financial Years and the last three Financial Years, see Annexure XXX of the Restated Unconsolidated Financial Statements on page 330 and the Restated Consolidated Financial Statements on page 271, respectively.

DIVIDEND POLICY

Dividends are declared by our Company at the Annual General Meeting of the shareholders of the Company based on the recommendations by the Audit Committee and the Board of Directors. Our Board approved the formal dividend policy of the Company, at the board meeting held on August 12, 2016, which includes recommendation of dividends with the objective of rewarding the shareholders of the Company and maintaining healthy net worth in the Company.

The dividends, if any, will depend on other factors, including the outlook for the economy, outlook for the industry, the business environment for the Company's business, the profitability of the Company, capital requirements for future expansion plans, rate of dividend distribution tax, contractual obligations, applicable legal restrictions, and restrictive covenants under loan or financing arrangements which our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details of the restrictive covenants under our loan or financing arrangements, see "*Financial Indebtedness*" on page 338.

Except for Financial Year 2016, our Company has not declared any dividend on the Equity Shares during the last five Financial Years. The details of dividends on the Equity Shares provided by our Company are as follows:

Particulars	Fiscal 2016
No. of Equity Shares	15,767,255
Face value of Equity Shares (in ₹)	10.00
Dividend per Equity Share (in ₹)	2.00
Rate of dividend on Equity Shares of (%)	20.00%
Total dividend on Equity Shares (in ₹million) ⁽¹⁾	37.95

⁽¹⁾This includes dividend distribution tax

The above dividends have subsequently and significantly been paid.

Dividends on Preference shares

Our Company has also declared the following dividend on all the preference shares in the following manner:

Series A Preference Shares

Particulars	Fiscal				
	2016	2015	2014	2013	2012
No. of Series A Preference Shares of face value of ₹10 each	2,259,060	2,259,060	2,259,060	2,259,060	2,259,060
Dividend per Series A Preference Shares of face value of ₹10 each (in ₹)	Negligible	Negligible	Negligible	Negligible	Negligible
Rate of dividend on Series A Preference Shares of face value of ₹10 each (%)	0.001%	0.001%	0.001%	0.001%	0.001%
Total dividend on Series A Preference Shares of face value of ₹10 each (in ₹) ⁽¹⁾	4,114.17*	-	-	-	-**

⁽¹⁾This includes dividend distribution tax

* Includes arrears of dividend accrued during Fiscals 2008 to 2015

** Includes dividend paid on 4,629,630 Series A Preference Shares which was converted into Equity Shares during Fiscal 2012

Series B Preference Shares

Particulars	Fiscal				
	2016	2015	2014	2013	2012
No. of Series B Preference Shares of face value of ₹243 each	2,477,387	2,477,387	2,477,387	2,477,387	2,477,387
Dividend per Series B Preference Shares of face	Negligible	Negligible	Negligible	Negligible	Negligible

Particulars	Fiscal				
	2016	2015	2014	2013	2012
value of ₹243 each (in ₹)					
Rate of dividend on Series B Preference Shares of face value of ₹243 each (%)	0.001%	0.001%	0.001%	0.001%	0.001%
Total dividend on Series B Preference Shares of face value of ₹243 each (in ₹) ⁽¹⁾	24,872.17*	-	-	-	-**

⁽¹⁾This includes dividend distribution tax

* Includes arrears of dividend accrued during Fiscals 2012 to 2015

** Includes dividend paid on Series B Preference Shares from the date of allotment, i.e., February 14, 2012 to March 31, 2012

Series C Preference Shares

Particulars	Fiscal				
	2016	2015	2014	2013	2012
No. of Series C Preference Shares of face value of ₹10 each	4,153,399	4,153,399	Not Applicable	Not Applicable	Not Applicable
Dividend per Series C Preference Shares of face value of ₹10 each (in ₹)	Negligible	Negligible	Not Applicable	Not Applicable	Not Applicable
Rate of dividend on Series C Preference Shares of face value of ₹10 each (%)	0.001%	0.001%	Not Applicable	Not Applicable	Not Applicable
Total dividend on Series C Preference Shares of face value of ₹10 each (in ₹) ⁽¹⁾	591.72*	-**	Not Applicable	Not Applicable	Not Applicable

⁽¹⁾This includes dividend distribution tax

* Includes arrears of dividend accrued during Fiscals 2015 to 2016

** Includes dividend paid on Series C Preference Shares from the date of allotment, i.e., October 29, 2014 to March 31, 2015

In addition to the above, our Company on June 9, 2016 has also declared a dividend of ₹2.00 on each of the Series A Preference Shares, Series B Preference Shares and Series C Preference Shares, which were converted into Equity Shares on July 15, 2016. For details see, “Capital Structure” on page 67. As a result, our Company has provided for a total dividend payment of ₹21.44 million (including dividend distribution tax) on Series A Preference Shares, Series B Preference Shares and Series C Preference Shares during Fiscal 2016. The total dividend payment on Series A Preference Shares, Series B Preference Shares and Series C Preference Shares has been subsequently paid.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. See “Risk Factor - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements” on page 32.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[This page has intentionally been left blank]

Report of auditors on the restated consolidated summary statement of assets and liabilities as at March 31, 2016, 2015 and 2014 and profits and losses and cash flows for each of the years ended March 31, 2016, 2015 and 2014 for Laurus Labs Limited (formerly known as Laurus Labs Private Limited) and its subsidiaries and associate (Collectively, the "Restated Consolidated Summary Statements")

The Board of Directors,
Laurus Labs Limited (formerly known as Laurus Labs Private Limited),
2nd Floor, Serene Chambers,
Road No. 7, Banjara Hills,
Hyderabad – 500 034.

Dear Sirs,

1. We have examined the Restated Consolidated Summary Statements of Laurus Labs Limited (formerly known as Laurus Labs Private Limited) (the "Company") and its subsidiaries (together referred to as the "Group") and its associate as at March 31, 2016, 2015 and 2014 and for each of the financial years ended March 31, 2016, 2015, and 2014, annexed to this report for the purpose of inclusion in the offer document, prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 10 each ("IPO"). The Restated Consolidated Summary Statements, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:
 - a. sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and
 - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "SEBI Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such Restated Consolidated Summary Statements taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated May 25, 2016, requesting us to carry out work on such restated financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and
 - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an IPO which comprises of fresh issue of equity shares of Rs. 10 each as well as an offer for sale by certain shareholder's equity shares of Rs.10 each, at such premium, arrived at by the book building process (referred to as the "Issue"), as may be decided by the Board of Directors of the Company.

Restated Consolidated Summary Statements as per audited consolidated financial statements:

4. The Restated Consolidated Summary Statements has been compiled by the management from:
 - a) the audited consolidated financial statements of the Group and its associate, as at and for each of the years ended March 31, 2016, 2015 and 2014, prepared in accordance with accounting principles generally accepted in India, which have been approved by the Board of Directors on April 29, 2016, April 30, 2015 and August 16, 2016 respectively;

- b) the Consolidated financial statements included information in relation to the Company's subsidiaries and its associate as listed below:

Name of the entity	Component type	Period covered
Laurus Synthesis Inc.	Subsidiary	As at March 31, 2016 and March 31, 2015, and for the year ended March 31, 2016 and for the period from December 08, 2014 to March 31, 2015.
Viziphar Biosciences Private Limited	Subsidiary	As at March 31, 2016, March 31, 2015 and March 31, 2014, and for the year ended March 31, 2016, March 31, 2015 and for the period from February 10, 2014 to March 31, 2014.
Sriam Labs Private Limited	Associate	As at March 31, 2016 and March 31, 2015, and for the year ended March 31, 2016 and for the period from April 25, 2014 to March 31, 2015.

5. For the purpose of our examination, we have relied on the audit reports issued by us dated April 29, 2016, April 30, 2015 and August 16, 2016, on the consolidated financial statements of the Group and its associate as at and for the years ended March 2016, 2015 and 2014, respectively, as referred in paragraph 4(a) above.

As indicated in our audit reports referred to above, we did not audit financial statements of certain subsidiaries and an associate, whose financial statements were audited by other auditors, which have been relied upon by us and our opinions, in so far as it relates to the amounts related to such subsidiaries and the associate as at and for each of the years ended March 31, 2016, 2015 and 2014 included in these Restated Consolidated Summary Statements, are based solely on the reports of the other auditors.

(Rs. in million)

As at and for the year ended	Total Assets	Total revenue	Cash Inflow / (Outflow)	Associate's share of net profit / (loss)
March 31, 2016	154.22	29.36	5.32	(4.02)
March 31, 2015	78.79	2.77	31.78	2.49
March 31, 2014	5.67	Nil	1.42	-

6. In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and terms of our engagement agreed with you, we report that, read with paragraphs 4 and 5 above, we have examined the Restated Consolidated Summary Statements as at and for each of the years ended March 31, 2016, 2015 and 2014 as set out in Annexures I to III.

7. Based on our examination, the audited consolidated financial statements of the Group and its associate for each of the years ended March 31, 2016, 2015 and 2014 and the reliance placed on the reports of the auditors of the subsidiaries and associate not audited by us as referred to in paragraph 5 above, we further report that:
- a) The Restated Consolidated Summary Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV to this report;
 - b) The accounting policies as at and for the period ended March 31, 2016 are materially consistent with the policies adopted for the years ended March 31, 2015 and 2014. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
 - c) Adjustments for the material amounts and material disclosures in the respective financial years to which they relate have been adjusted in the attached Restated Consolidated Summary Statements;
 - d) There are no items of extra-ordinary nature that need to be disclosed separately in the Restated Consolidated Summary Statements;
 - e) There are no qualifications in the auditors' reports on the consolidated financial statements of the Group and its associate as at and for each of the years ended March 31, 2016, 2015 and 2014 which require any adjustments to the Restated Consolidated Summary Statements.
8. We have not audited or reviewed any consolidated financial statements of the Group and its associate as of any date or for any period subsequent to March 31, 2016. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group and its associate as of any date or for any period subsequent to March 31, 2016.

Other Financial Information:

9. At the Company's request, we have also examined the following consolidated summary statements proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group and its associate as at and for each of the years ended March 31, 2016, 2015 and 2014:
- i. Restated Consolidated Statement of Share Capital, enclosed as Annexure VI;
 - ii. Restated Consolidated Statement of Reserves and surplus, enclosed as Annexure VII;
 - iii. Restated Consolidated Statement of Long-term Borrowings, enclosed as Annexure VIII;
 - iv. Restated consolidated statement of Deferred Tax liability (net), enclosed as Annexure IX;
 - v. Restated consolidated statement of other long-term liabilities, enclosed as Annexure X;
 - vi. Restated consolidated statement of Provisions, enclosed as Annexure XI;
 - vii. Restated consolidated statement of Short-term borrowings, enclosed as Annexure XII;
 - viii. Restated consolidated statement of Trade Payables, enclosed as Annexure XIII;
 - ix. Restated consolidated statement of Other Current Liabilities, enclosed as Annexure XIV;
 - x. Restated consolidated statement of Fixed Assets, enclosed as Annexure XV;
 - xi. Restated consolidated statement of Non-Current investments, enclosed as Annexure XVI;
 - xii. Restated consolidated statement of Loans and Advances, enclosed as Annexure XVII;
 - xiii. Restated consolidated statement of Other Assets, enclosed as Annexure XVIII;
 - xiv. Restated consolidated statement of Inventories, enclosed as Annexure XIX;
 - xv. Restated consolidated statement of Trade Receivables, enclosed as Annexure XX;
 - xvi. Restated consolidated statement of Cash and Bank Balances, enclosed as Annexure XXI;
 - xvii. Restated consolidated statement of Revenue from operations, enclosed as Annexure XXII;
 - xviii. Restated consolidated statement of Other Income, enclosed as Annexure XXIII;

- xix. Restated consolidated statement of Cost of Materials Consumed, enclosed as Annexure XXIV;
- xx. Restated consolidated statement of Increase in Inventories of Finished Goods and Work-In-Progress, enclosed as Annexure XXV;
- xxi. Restated consolidated statement of Other Manufacturing Expenses, enclosed as Annexure XXVI;
- xxii. Restated consolidated statement of Employee Benefit Expenses, enclosed as Annexure XXVII;
- xxiii. Restated consolidated statement of Operating and Selling Expenses, enclosed as Annexure XXVIII;
- xxiv. Restated consolidated statement of Finance Expenses, enclosed as Annexure XXIX;
- xxv. Restated consolidated statement of Related Party Transactions, as appearing in Annexure XXX;
- xxvi. Restated consolidated statement of Accounting Ratios, enclosed as Annexure XXXI;
- xxvii. Restated consolidated Capitalisation Statement, as appearing in Annexure XXXII;
- xxviii. Restated consolidated statement of Dividend, enclosed as Annexure XXXIII;

10. In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure V, and after making material adjustments and regroupings as considered appropriate and disclosed in Annexure IV, have been prepared in accordance with the relevant provisions of the Act and the SEBI Regulations.

11. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

13. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Vikas Kumar Pansari
Partner
Membership No: 093649

Place of Signature: Hyderabad
Date: August 16, 2016

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure I: Restated Consolidated Summary Statement of Assets and Liabilities

(All amounts in Million Rupees except for share data or as otherwise stated)

	Annexures	As at		
		March 31, 2016	March 31, 2015	March 31, 2014
EQUITY and LIABILITIES				
(1) Shareholders' Funds				
Share Capital	VI	823.80	821.25	778.40
Reserves and Surplus	VII	7,694.39	6,399.75	2,805.77
		8,518.19	7,221.00	3,584.17
(2) Non Current Liabilities				
Long Term Borrowings	VIIIA	4,606.28	3,036.77	1,881.72
Deferred Tax Liability (Net)	IX	447.76	102.67	118.18
Other Long Term Liabilities	X	441.56	446.58	-
Long Term Provisions	XIA	67.71	51.26	39.33
		5,563.31	3,637.28	2,039.23
(3) Current Liabilities				
Short Term Borrowings	XII	4,814.19	4,316.35	3,121.84
Trade Payables	XIII			
Outstanding dues to micro enterprises and small enterprises		5.22	2.73	5.11
Outstanding dues to creditors other than micro enterprises and small enterprises		2,488.15	2,305.36	2,269.62
Other Current Liabilities	XIV	1,445.37	1,333.43	1,642.50
Short Term Provisions	XIB	196.03	67.00	69.67
		8,948.96	8,024.87	7,108.74
TOTAL		23,030.46	18,883.15	12,732.14
ASSETS				
(4) Non Current Assets				
Fixed Assets				
Tangible Assets	XV	10,792.59	7,948.99	4,942.58
Intangible Assets	XV	63.88	61.15	46.78
Capital Work in Progress		696.00	1,096.69	1,160.99
Goodwill on consolidation	XV	-	-	3.39
Non Current Investments	XVI	70.45	74.47	-
Long Term Loans and Advances	XVIIA	1,286.31	939.44	685.04
Other Non Current Assets	XVIIIA	90.56	139.73	145.24
		12,999.79	10,260.47	6,984.02
(5) Current Assets				
Inventories	XIX	4,870.93	4,754.96	3,280.97
Trade Receivables	XX	4,448.57	2,850.66	1,948.76
Cash and Bank Balances	XXI	277.35	588.85	231.95
Short Term Loans and Advances	XVIIIB	301.57	311.83	250.04
Other Current Assets	XVIIIB	132.25	116.38	36.40
		10,030.67	8,622.68	5,748.12
TOTAL		23,030.46	18,883.15	12,732.14

Note:

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

As per our report of even date

For S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

For and on behalf of the Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner
Membership No. 093649

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

G.Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date:

Place: Hyderabad
Date:

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure II: Restated Consolidated Summary Statement of Profits and Losses

(All amounts in Million Rupees except for share data or as otherwise stated)

	Annexures	For the year ended		
		March 31, 2016	March 31, 2015	March 31, 2014
(A) INCOME				
Revenue from Operations (Gross)	XXII	18,171.80	13,379.24	11,656.86
Less: Excise Duty		334.08	113.34	59.69
Revenue from Operations (Net)		17,837.72	13,265.90	11,597.17
Other Income	XXIII	75.93	340.71	88.17
Total Revenue (A)		17,913.65	13,606.61	11,685.34
(B) EXPENSES				
Cost of Materials Consumed	XXIV	10,182.88	9,066.30	7,882.88
Purchase of Traded Goods		149.50	61.85	79.01
Increase in Inventories of Finished Goods and Work-in-Progress	XXV	(250.78)	(844.53)	(702.93)
Other Manufacturing Expenses	XXVI	1,553.56	1,232.39	776.61
Employee Benefits Expenses	XXVII	1,897.49	1,328.20	1,041.15
Operating and Selling Expenses	XXVIII	583.25	419.88	431.80
Total Expenses (B)		14,115.90	11,264.09	9,508.52
(C) Restated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (A-B)		3,797.75	2,342.52	2,176.82
Depreciation and Amortisation		921.88	615.26	328.80
Finance Expenses	XXIX	1,200.25	1,061.57	639.47
(D) Restated Profit Before Tax		1,675.62	665.69	1,208.55
(E) Tax Expense				
Current Tax		380.66	152.25	262.44
Minimum Alternate Tax credit entitlement		(380.66)	(152.25)	(262.44)
Deferred Tax Charge/ (Credit)		345.09	(15.51)	236.38
Total Tax Expense /(Credit)		345.09	(15.51)	236.38
(F) Share of results of associate		(4.02)	2.49	-
(G) Restated Profit for the year		1,326.51	683.69	972.17

Note:

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

As per our report of even date

For S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

For and on behalf of the Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner
Membership No. 093649

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

G.Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date:

Place: Hyderabad
Date:

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure III: Restated Consolidated Summary Statement Of Cash Flows

(All amounts in Million Rupees except for share data or as otherwise stated)

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Profit Before Tax and share of associate	1,675.62	665.69	1,208.55
Adjustments for :			
Depreciation and amortisation	921.88	615.26	328.80
Loss/ (profit) on sale of fixed assets (net)	2.98	(0.16)	1.35
Interest income	(23.60)	(21.69)	(34.89)
Interest expense	1,038.13	862.43	514.56
Employee Stock Option Charge	22.43	9.10	17.62
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	55.05	(116.81)	(52.36)
Liabilities no longer required written back	-	(16.45)	-
Impairment of goodwill on consolidation	-	3.39	-
Advances and bad debts written off (Net)	16.56	0.99	3.29
Provision for / (reversal of) doubtful advance and receivables	(5.32)	0.26	2.36
Provision for insurance claim receivable	-	0.73	29.12
Gratuity and compensated absences	38.45	25.76	20.77
Operating Profit Before Working Capital Changes	3,742.18	2,028.50	2,039.17
Foreign currency translation adjustments	1.32	(0.20)	-
Movement In Working Capital:			
Increase in inventories	(115.96)	(1,473.99)	(1,719.07)
Increase in trade receivables	(1,611.64)	(897.41)	(392.96)
Increase in long term loans and advances	(8.26)	(43.86)	(4.98)
(Increase)/ Decrease in short term loans and advances	13.50	(52.46)	(130.32)
(Increase) / Decrease in other non current assets	(24.67)	(26.74)	19.44
Increase in other current assets	(15.45)	(83.04)	(32.07)
Increase / (Decrease) in other long term liabilities	(55.20)	543.47	-
Increase in trade payables	210.02	97.20	1,002.63
Increase / (Decrease) in other current liabilities	130.17	(570.35)	664.67
Cash Generated From Operations	2,266.01	(478.88)	1,446.51
Direct taxes paid	(333.02)	(168.18)	(234.24)
Net Cash Flow from/ (used in) Operating Activities (A)	1,932.99	(647.06)	1,212.27
Cash Flow Used In Investing Activities			
Purchase of tangible assets, including intangible assets, capital work in progress and capital advances	(3,369.83)	(3,831.15)	(3,090.85)
Proceeds from sale of fixed assets	5.68	9.70	32.67
Proceeds from / (Investments in) bank deposits	112.46	(76.12)	(56.92)
Purchase of investment	-	(71.98)	(3.13)
Net Cash Flow Used In Investing Activities (B)	(3,251.69)	(3,969.55)	(3,118.23)
Cash Flow From Financing Activities			
Proceeds from issue of equity shares	2.55	1.32	1.39
Proceeds from Issue of CCPCPS-Series C Preference Shares (Net of share issue expenses of Rs. Nil (March 31, 2015: Rs. 57.10, March 31, 2014: Rs. Nil)	-	2,942.90	-
Repayment of long - term borrowings	(1,341.31)	(1,187.74)	(434.12)
Proceeds from long - term borrowings	2,898.24	2,748.09	1,576.27
Proceeds from short - term borrowings (Net)	495.46	1,184.60	1,360.85
Interest received	27.19	13.33	38.10
Interest paid	(1,032.55)	(841.69)	(512.14)
Net Cash Flow From Financing Activities (C)	1,049.58	4,860.81	2,030.35
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	(269.12)	244.20	124.39
Cash and Cash Equivalents at the beginning of the year	395.28	151.08	26.69
Effect of exchange differences on cash and cash equivalents	1.90	-	-
Cash and Cash Equivalents at the end of the year	128.06	395.28	151.08
Notes:			
Components of Cash and Cash Equivalents:			
Cash on hand	2.31	2.31	0.62
Cash acquired on acquisition of Viziphar Biosciences Private Limited	-	-	-
Balances with banks			
On current accounts	125.26	242.97	150.46
Deposits with original maturity of less than three months	0.49	150.00	-
Total Cash and Cash Equivalents	128.06	395.28	151.08

Note:

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

For and on behalf of the Board of Directors

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

G.Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date:

Place: Hyderabad
Date:

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure IV : Notes on material adjustments and regroupings to Restated Consolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

1) Notes on material adjustments

a) The summary of results of restatements made in the audited financial statements for the respective years and its impact on the profits of the Company is as follows:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
A) Net Profit for the year as per audited financial statements (A)	1,306.99	684.17	991.21
B) Restated Adjustments:			
I) Add/(less): Provision for insurance claim receivable	(29.85)	0.73	29.12
II) Add/(less): Provision for income taxes	25.04	(14.33)	14.33
III) Add/(less): MAT credit entitlement adjustment	(25.04)	14.33	(14.33)
IV) Add/(less): Deferred tax impact on adjustments	10.33	(0.25)	(10.08)
(B)	(19.52)	0.48	19.04
C) Restated profit (A - B)	1,326.51	683.69	972.17

Note:

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

b) Restated adjustments:

I) Provision for insurance claim receivable

During the year ended March 31, 2016, the Company has made a provision for insurance claim receivable which was recognised in the earlier years. For the purpose of the above statement, such amounts have been appropriately adjusted to the respective years to which they relate.

II) Provision for income taxes

The statement of profit and loss for certain financial years include amounts provided for or written back, in respect of current tax arising upon filing of tax returns, assessments, etc. which have now been adjusted to the respective years to which they relate.

III) MAT credit entitlement adjustment

The statement of profit and loss for certain financial years include MAT credit entitlement, in respect of current tax arising upon filing of tax returns, assessments, etc. which have now been adjusted to the respective years to which they relate.

IV) Deferred tax impact on adjustments

Deferred tax has been computed on adjustments made as detailed above and have been adjusted to the respective years to which they relate.

2a) Change in the estimated useful lives of the fixed assets

During the year ended March 31, 2015, the management has re-estimated useful lives and residual values of all its fixed assets which has resulted in additional charge of depreciation amounting to Rs. 59.56 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made to the restated consolidated summary statements of the Group.

2b) Depreciation on assets costing less than Rs. 5,000

Till the year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Group was charging 100% depreciation on the assets costing less than Rs. 5,000 in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from April 01, 2014, does not recognize such practices. Hence to comply with the requirement of Schedule II to the Companies Act, 2013, the Group has changed its accounting policy for depreciation of assets costing less than Rs. 5,000. As per revised policy, the Group is depreciating such assets over their useful life as assisted by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000, did not have any material impact on restated consolidated summary statements of the Group.

2c) Change in method of valuation of stores & spares

During the year ended March 31, 2014, the Company has implemented the Enterprise Resource Planning on SAP Application. Accordingly, the Company has changed its method of valuation of Inventory of Stores & Spares from the earlier method i.e. First In First Out Basis (FIFO) to transaction moving weighted average method. This change, however, does not have any material impact on restated consolidated summary statements of the Group.

3) Material regrouping

Appropriate adjustments have been made in the Restated Consolidated Summary Statements of Assets and Liabilities, Profit and Losses and Cash Flows, 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 financials of the Company as at and for the year ended March 31, 2016, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

4) Restatement adjustments made in the audited opening balance figure in the net surplus on the statement of profit and loss as at April 01, 2013 of audited unconsolidated financial statements (refer note 1 of Annexure V):

Particulars	Amount (in Rs. Million)
(A) Net surplus in the statement of profit and loss as at April 01, 2013 as per audited unconsolidated financial statements (refer note 1 of Annexure V)	651.09
Other adjustments	
Provision for income taxes (refer note 1(b)(II) above)	(25.04)
MAT credit entitlement adjustment (refer note 1(b)(III) above)	25.04
(B) Total Adjustments	
Tax adjustments on the same	-
Net surplus in the statement of profit and loss as at April 01, 2013 (as restated)	651.09

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Consolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

1. Basis of consolidation

Laurus Labs Limited ("the Company" or "the Parent Company") together with its subsidiaries (collectively termed as "the Group") and its associate (collectively termed as "the Consolidated entities") have been prepared as a going concern in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the applicable accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Company has not prepared the consolidated financial statements up to the year ended March 31, 2013 as it had no subsidiaries, associates and joint ventures. Accordingly, March 31, 2013 & March 31, 2012 figures are not presented with respect to the Group in this statement.

The Restated Consolidated Summary Statement of Assets and Liabilities of the Group and its associate as at March 31, 2016, March 31, 2015 and March 31, 2014 and the related Restated Consolidated Summary Statement of Profits and Losses and the Restated Consolidated Summary Statement of Cash Flows for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 and annexures thereto (herein collectively referred to as 'Restated Consolidated Summary Statements') have been compiled by the management from the then audited consolidated financial statements of the Company for the years ended March 31, 2016, March 31, 2015, and March 31, 2014. The audited consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used for the purpose of preparation of audited standalone financial statements as at and for the year ended March 31, 2016, except for changes in accounting policies detailed in 3(c) (ii) & 3(i) (i) in significant accounting policies.

The Restated Consolidated Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's Restated Consolidated Summary Statements.

Investments in Restated Consolidated Summary Statements are accounted in accordance with accounting principles as defined in the AS 21 "Consolidated Financial Statements" and AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements", under Equity method notified by Companies (Accounts) Rules 2014. The Restated Consolidated Summary Statements are prepared on the following basis:

i) Subsidiary Companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-Group balances and intra-Group transactions and also unrealized profits or losses.

ii) The difference between the cost to the Group of investments in subsidiaries and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognised in the Restated Consolidated Summary Statements as Goodwill or Capital Reserve, as the case may be.

iii) Interest in associate are accounted for in Restated Consolidated Summary Statements under equity method as per AS 23 – "Accounting in Investment in Associates in Consolidated Financial Statements".

iv) Minorities' interest in net profits/ losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of the contractual obligation on the minorities, the same is accounted for by the Company.

v) Goodwill on consolidation represents the difference between the Consolidated Entity's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries as per Accounting Standard (AS) 21 "Consolidated financial Statements". For this purpose, the Consolidated Entity's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation as per Accounting Standard (AS) 21 "Consolidated financial Statements" is not amortised, however, it is tested for impairment. In the event of cessation of operations of subsidiaries or associate, the unimpaired goodwill is written off fully.

vi) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2016.

vii) The Restated Consolidated Summary Statements for the year ended March 31, 2016 have been prepared on the basis of the financial statements of the following subsidiaries and an associate:

<u>Name of the Entity</u>	<u>Date of Acquisition</u>	<u>Country of incorporation</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Subsidiary:					
Laurus Synthesis Inc.	December 8, 2014	USA	100%	100%	--
Viziphar Biosciences Private Limited	February 10, 2014	India	100%	100%	100%
Associate:					
Sriam Labs Private Limited	April 25, 2014	India	27%	27%	--

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure V: Notes to Restated Consolidated Summary Statements
(All amounts in Million Rupees except for share data or as otherwise stated)

2. Summary of significant accounting policies

a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

b. Tangible Fixed Assets

Tangible Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

c. Depreciation on tangible Fixed Assets

(i) Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the Restated Consolidated Summary Statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Had the Company continued to use the earlier estimated useful life of fixed assets for providing depreciation, the charge to Statement of profit and loss for the current year would have been lower by Rs. 59.56 and the net block of fixed assets and profit before tax would have been higher by Rs. 59.56.

(ii) Depreciation on assets costing Rs. 5,000/- or less

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognise such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the Company for the current year.

(iii) Land acquired on lease is amortised over the period of lease (ranging from 33 - 51 years).

(iv) Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

	Useful lives estimated by the management (years)		Useful lives as stated in the Act (years)	
	from April 1, 2014 onwards	from April 1, 2013 to March 31, 2014	from April 1, 2014 onwards	from April 1, 2013 to March 31, 2014
Factory buildings	30	30	30	30
Other buildings	60	30	60	30
Plant and Equipment	5-20	10	5-20	10-21
Furniture and fixtures	10	10	10	16
Vehicles	5	5	8	11
Computers	3-6	5	3-6	6

d. Intangible Assets

Computer Software

i. Costs relating to software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of five years.

ii. Expenditure incurred on development of internally generated assets such as software from which future economic benefits will flow over a period of time is amortised over the estimated useful life or 5 years on a straight line basis, whichever is earlier.

Goodwill

Goodwill is amortised using the straight-line method over a period of five years.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure V: Notes to Restated Consolidated Summary Statements
(All amounts in Million Rupees except for share data or as otherwise stated)

e. Leases

Where the Company is a Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss.

f. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

g. Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

h. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long-term investments are carried at cost. Provision is made for diminution in value to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Inventories

(i) During the year ended March 31, 2014, the Company has implemented the Enterprise Resource Planning on SAP Application. Accordingly, the Company has changed its method of valuation of Inventory of Stores & Spares from the earlier method i.e. First In First Out Basis (FIFO) to transaction moving weighted average method. This change, however, does not have any material impact on the profit of the Company.

(ii) Raw materials and packing materials are valued at lower of cost and net realisable value. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and packing materials is determined on a weighted average basis.

(iii) Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads. Cost of finished goods is determined on a weighted average basis.

(iv) Traded goods are valued at the lower of cost and net realisable value.

(v) Stores and spares are valued at the lower of cost and net realisable value. Cost of stores and spares is determined on a weighted average basis.

(vi) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Services

Revenue from contract research operations is recognised in accordance with the terms of the relevant contracts with customers and when the agreed milestones are achieved, which are substantiated by the performance of related service work.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend Income

Dividend income is recognised when the Group's right to receive the dividend is established by the reporting date.

k. Foreign currency translation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure V: Notes to Restated Consolidated Summary Statements
(All amounts in Million Rupees except for share data or as otherwise stated)

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year.

v. Translation of non integral foreign operation

The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operations, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss. When there is a change in the classification of foreign operations, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Any goodwill or capital reserve arising on acquisition of non-integral operations is translated at closing rate.

l. Retirement and other employee benefits

Retirement benefits in the form of provident fund contribution and superannuation are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when an employee renders the related service. The Company has no obligation, other than the contributions payable to the funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

The Group treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m. Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, the entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and accounts for unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

n. Employee stock options

Measurement and disclosure of the employee stock options are made in accordance with the Guidance Note on Accounting for Employee Share Based Payments Plans, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the fair value method. Compensation expenses, if any, is amortised over the vesting period of the options on a straight line basis.

o. Segment Reporting Policies

Identification of segments

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operations of the Group are carried out and location of its customers.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins. Inter segment profit/ charge is eliminated on combination of segmental results for the preparation of the accounts of the Company as a whole.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure V: Notes to Restated Consolidated Summary Statements
(All amounts in Million Rupees except for share data or as otherwise stated)

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

The unallocated items include general corporate income and expense items which are not allocable to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Provisions

A provision is recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate of the amount required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

r. Deferred revenue expenditure/Unamortised expenditure

Costs incurred in raising funds are amortised equally over the period for which the borrowings are undertaken.

s. Contingent liabilities

A contingent liability is a possible obligation that may arise as a result of past events whose existence may be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

t. Cash and cash equivalents

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u. Research and development

Revenue expenditure on research and development is charged to revenue in the year in which it is incurred. Capital expenditure on research and development is added to fixed assets and depreciated in accordance with the policies of the Group.

v. Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of restated consolidated summary statement of profits and losses. The Company measures EBITDA on the basis of profits / (losses) from continuing operations. In its measurement, the Group does not include depreciation and amortisation expense, finance expenses and tax expense.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Consolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

3. Gratuity Disclosure

Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The Scheme is funded through a policy with SBI Life Insurance Company Limited. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

	March 31, 2016	March 31, 2015	March 31, 2014
Profit and Loss account			
i. Net employee benefit expense (recognised in Employee benefits expenses)			
Current service cost	6.67	5.18	4.05
Interest cost	4.55	3.49	2.54
Expected return on plan assets	(0.05)	(0.10)	(0.25)
Net actuarial(gain) / loss recognised in the year	12.32	7.41	6.40
Net employee benefit expenses	23.49	15.98	12.74
Actual return on plan asset	(0.05)	(0.10)	(0.25)
Amount recognised in the Balance Sheet			
Defined benefit obligation	74.90	56.87	43.68
Fair value of plan assets	0.49	1.45	1.25
	74.41	55.42	42.43
Changes in the present value of the defined benefit obligation			
Opening defined benefit obligation	56.87	43.68	33.34
Current service cost	6.67	5.18	4.05
Interest cost	4.55	3.49	2.54
Benefits paid	(5.51)	(2.89)	(0.96)
Transfer on account of slump sale	-	-	(1.69)
Actuarial (gains) / losses on obligation	12.32	7.41	6.40
Closing defined benefit obligation	74.90	56.87	43.68
Change in the fair value of plan assets			
Opening fair value of plan assets	1.45	1.25	1.79
Expected return on plan assets	0.05	0.10	0.25
Contributions	4.50	2.99	-
Benefits paid	(5.51)	(2.89)	(0.79)
Closing fair value of plan assets	0.49	1.45	1.25

The Company expects to contribute Rs 7.50 to the gratuity fund in the year 2016-17 (March 31, 2015: Rs. 5.00 and March 31, 2014: Rs. 5.00) against the short term liability of Rs. 6.70 (March 31, 2015: Rs. 4.16 and March 31, 2014: Rs. 3.10) as per the actuarial valuation.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2016	March 31, 2015	March 31, 2014
Investments with insurer	100.00%	100.00%	100.00%

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2016	March 31, 2015	March 31, 2014
Discount rate	8.00%	8.00%	8.00%
Expected rate of return on assets	8.50%	8.50%	8.50%
Salary rise	16.00%	15.00%	15.00%
Attrition Rate-			
1. Pharmaceuticals	12.00%	12.00%	12.00%
2. Infosystems	-	-	15.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Defined Contribution Plan

	March 31, 2016	March 31, 2015	March 31, 2014
Contribution to Provident Fund	60.54	50.41	40.18
Contribution to Superannuation Fund	7.18	6.44	3.87

Amounts for the current and previous four periods are as follows:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	74.90	56.87	43.68
Plan assets	0.49	1.45	1.25
Surplus / (deficit)	74.41	55.42	42.43
Experience adjustments on plan liabilities	5.29	-	-
Experience adjustments on plan assets	-	-	-

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Consolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

4. Employees stock option scheme (ESOP 2011 Plan)

The board of directors has approved the Laurus Employees Stock Option Scheme(ESOP) 2011 for issue of shares to eligible employees of the Company effective from September 19, 2011. According to the Scheme, the options granted vest within a period of four years, subject to the terms and conditions specified in the scheme.

Exercise period

Grant	Number of options	Year 1 25%	Year 2 25%	Year 3 50%
Grant I	553,000	20-Sep-13	20-Sep-14	20-Sep-15
Grant II	28,000	19-Sep-14	19-Sep-15	19-Sep-16
Grant III	38,500	19-Sep-15	19-Sep-16	19-Sep-17
Grant IV	75,500	19-Sep-16	19-Sep-17	19-Sep-18
Grant V	177,188	19-Sep-17	19-Sep-18	19-Sep-19

Date of Grant	Number of options Granted	Exercise price	Weighted Average Fair value of option at grant date
September 19, 2011	553,000	10	105.96
December 31, 2012	28,000	10	163.94
September 19, 2013	38,500	10	175.94
September 19, 2014	75,500	10	262.84
September 19, 2015	177,188	10	525.65

The details of activity under the Scheme ESOP 2011 are summarised below :

	March 31, 2016	March 31, 2015	March 31, 2014
No. of options	No. of options	No. of options	No. of options
Outstanding at the beginning of the year	377,000	453,375	564,000
Granted during the year	177,188	75,500	38,500
Forfeited during the year	38,500	19,750	10,000
Exercised during the year	255,375	132,125	139,125
Outstanding at the end of the year	260,313	377,000	453,375
Exercisable at the end of the year	-	5,000	-

	March 31, 2016	March 31, 2015	March 31, 2014
For options exercised during the period, Weighted average share price at the exercise date:	385.64	267.91	187.86
Weighted average remaining contractual life for the stock options outstanding as at	4.00	2.24	2.69
Range of exercise prices for options outstanding at the end of the year	10	10	10
Weighted average fair value of stock options granted during the year	525.65	262.84	175.94

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	As at March 31, 2016				
	Grant V	Grant IV	Grant III	Grant II	Grant I
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	7.71%	8.56%	8.47%	8.01%	8.34%
Weighted average share price of Rs.	533.00	269.97	183.10	171.22	113.15
Exercise price of Rs.	10.00	10.00	10.00	10.00	10.00
Expected life of options granted in years	3.51	3.50	3.50	3.50	3.51

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Consolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

5. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006:

	March 31, 2016	March 31, 2015	March 31, 2014
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	5.22	2.73	5.11
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

6. Earnings per share (EPS)

	March 31, 2016	March 31, 2015	March 31, 2014
The following reflects the profit and share data used in the basic and diluted EPS computations:			
Profit after tax	1,326.51	683.69	972.17
Less: Preference dividend and tax thereon	(21.41)	(0.01)	(0.01)
Profit available for Equity shareholders	1,305.10	683.68	972.16
Weighted average number of equity shares in calculating basic EPS	15,644,494	15,444,500	15,296,107
Add: Effect of dilution			
Convertible preference shares	8,889,846	6,488,840	4,736,447
Stock options granted under ESOP	64,068	240,767	253,546
Weighted Average number of Equity Shares in computing diluted earnings per share	24,598,408	22,174,107	20,286,100
Face value of each Equity Share (Rs.)	10	10	10
Earnings per share prior to bonus issue			
- Basic (Rs.)	83.42	44.27	63.56
- Diluted (Rs.)	53.93	30.83	47.92
Earnings per share post bonus issue (refer note 7 of Annexure XXXI)			
- Basic (Rs.)	20.86	11.07	15.89
- Diluted (Rs.)	13.48	7.71	11.98

7. Forward Contracts

a) Forward contract outstanding as at Balance Sheet date

March 31, 2016 Buy US \$ 12,918,777

March 31, 2015 Buy US \$ 35,361,430

March 31, 2015 Buy US \$ 20,088,500

Hedging of loan and creditors

Hedging of loan and creditors

Hedging of loan and creditors

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Details of Unhedged Foreign Currency Exposure

	Currency	March 31, 2016			March 31, 2015			March 31, 2014		
		Amount in Foreign Currency	Amount in Rs.	Conversion Rate	Amount in Foreign Currency	Amount in Rs.	Conversion Rate	Amount in Foreign Currency	Amount in Rs.	Conversion Rate
Secured loans	USD	3,455,240	229.20	66.33	9,677,039	605.69	62.59	7,193,343	432.32	60.10
Unsecured loans	USD	16,000,000	1,061.33	66.33	-	-	-	-	-	-
Interest accrued but not due on borrowings	USD	41,053	2.72	66.33	12,715	0.80	62.59	-	-	-
Trade payables	USD	21,457,208	1,423.32	66.33	14,276,948	893.61	62.59	8,267,554	496.88	60.10
	EURO	537,808	40.39	75.10	197,321	13.32	67.51	264,931	21.88	82.58
	GBP	9,982	0.95	95.09	1,200	0.11	92.46	7,730	0.77	99.85
	CHF	-	-	-	-	-	-	22,650	1.53	67.36
Capital creditors	USD	-	-	-	250	0.02	62.59	6,378	0.38	60.10
	GBP	-	-	-	6,136	0.57	92.46	14,355	1.43	99.85
	CHF	2,147	0.15	75.10	-	-	-	-	-	-
Trade receivables	USD	10,935,326	725.37	66.33	9,617,995	602.00	62.59	5,828,970	350.32	60.10
	EURO	816,892	61.34	75.10	1,672,162	112.89	67.51	345,219	28.51	82.58
Cash & Bank	USD	1,240,991	82.32	66.33	1,724,426	107.93	62.59	2,058,537	123.72	60.10
Advances from customers	USD	1,728,828	114.68	66.33	49,844	3.12	62.59	10,422,927	626.42	60.10
	EURO	6,615,000	496.76	75.10	7,350,000	496.20	67.51	-	-	-
Advances recoverable in cash or kind	USD	152,619	10.12	66.33	329,592	21.88	62.59	772,094	46.40	60.10
	EURO	176,845	13.28	75.10	238,987	16.13	67.51	1,072,181	88.54	82.58
	GBP	13,750	1.31	95.09	21,043	1.95	92.46	5,800	0.39	67.36
	CHF	-	-	-	6,313	0.41	64.83	505	0.05	99.85
	CNY	-	-	-	4,120	0.04	10.20	3,702	0.04	9.69
	DKK	-	-	-	-	-	-	4,900	0.06	11.23
	JPY	-	-	-	505,000	0.26	0.52	133,000	0.08	0.59
	MYR	-	-	-	-	-	16.84	300	0.01	19.22
	ZAR	-	-	-	330	0.00*	5.17	780	0.00*	5.65
	HKD	-	-	-	90	0.00*	8.06	-	-	-

* Amount less than Indian Rupees 10,000

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Consolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

8. Segment Reporting

Segments are identified taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment.

A. (i) Segment information for primary segment reporting (by business segment)

The Company has considered business segments as the primary segment for disclosure. The reportable business segments are as under:

- Pharmaceuticals: Income from sale of API and Contract Research Services.
- Infosystems: Income from Services for maintenance and up gradation of Clinicopia Suite software.

Particulars	Pharmaceuticals	Infosystems	Eliminations	Total
	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
REVENUE				
External sales	11,480.03	117.14	-	11,597.17
Other Incomes	16.06	-	-	16.06
Inter-segment sales	-	-	-	-
Total revenue	11,496.09	117.14	-	11,613.23
RESULT				
Segment result	1,800.01	2.19	-	1,802.20
Unallocated corporate expenses				113.98
Operating profit	1,800.01	2.19	-	1,688.22
Interest expense				514.56
Interest income				34.89
Income tax expense / (credit)				236.38
Net profit				972.17
Particulars	Pharmaceuticals	Infosystems	Eliminations	Total
	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
OTHER INFORMATION				
Segment assets	12,066.74	-	-	12,066.74
Unallocated corporate assets				665.40
Total assets	12,066.74	-	-	12,732.14
Segment liabilities	3,512.26	-	-	3,512.26
Unallocated corporate liabilities				5,635.74
Total liabilities	3,512.26	-	-	9,148.00
Capital expenditure	3,075.01	15.84	-	3,090.85
Depreciation & Amortisation	323.44	5.36	-	328.80
Other non-cash expenses	29.30	(2.89)	-	26.41

(ii) Segment information for secondary segment reporting (by geographical segment)

The Company has reportable geographical segments based on location of customers:

- Revenue from customers within India – Domestic
- Revenue from customers outside India – Exports

Particulars	March 31, 2014		
	Outside India	Within India	Total
Revenue	5,433.18	6,163.99	11,597.17
Carrying amount of assets	-	12,066.74	12,066.74
Cost incurred to acquire Capital assets	-	3,090.85	3,090.85

- B. For the years ended March 31, 2016 and March 31, 2015, pharmaceuticals have been considered as the only business segment based on the group's business model of vertical integration and hence no separate financial disclosures are provided in respect of its single business segment.

Segment information for secondary segment reporting (by geographical segment)

The Company has reportable geographical segments based on location of customers:

- Revenue from customers within India – Domestic
- Revenue from customers outside India – Exports

Geographical segments

Particulars	March 31, 2016		
	Outside India	Within India	Total
Revenue	6,529.35	11,308.37	17,837.72
Carrying amount of assets	154.62	22,875.84	23,030.46
Cost incurred to acquire Capital assets	47.75	3,322.08	3,369.83

Particulars	March 31, 2015		
	Outside India	Within India	Total
Revenue	4,973.91	8,291.99	13,265.90
Carrying amount of assets	75.13	18,808.02	18,883.15
Cost incurred to acquire Capital assets	28.98	3,802.17	3,831.15

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Consolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

9. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for
Other commitments

March 31, 2016	March 31, 2015	March 31, 2014
1,179.00	1,223.00	1,181.00
Nil	Nil	Nil

10. Contingent Liabilities

- a) Outstanding bank guarantees (excluding performance obligations)
b) Bills Discounted
c) Demand for direct taxes under appeal #
d) Preference Dividend

March 31, 2016	March 31, 2015	March 31, 2014
50.15	56.29	46.87
480.15	1,780.12	1,634.50
10.10	10.10	10.10
-	0.02	0.02

* Demand for direct taxes under appeal comprise demand from the Indian tax authorities for payment of additional tax for the financial year 2007-08 (Assessment year 2008-09) on account of disallowance of deduction under Section 10A of the Income Tax Act, 1961 as claimed by the Company under the Income tax Act of Rs. 10.10. As against the same, the Company has paid tax under protest for Rs. 7.05. The matter is pending before the Honourable High Court of Karnataka as at March 31, 2016.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

11. Expenditure during construction period (pending allocation)

Opening Balance

Add:

- Salaries, allowances and benefits to employees
Travelling and conveyance
Staff welfare expenses
Consultancy and other professional charges
Contribution to provident fund and other funds
Rates and Taxes
Power and fuel
Rent
Factory maintenance
Insurance
Others

Less:

Capitalised during the year

March 31, 2016	March 31, 2015	March 31, 2014
24.50	16.83	6.89
-	-	9.18
-	-	0.10
-	-	0.22
-	-	-
-	-	0.53
-	9.32	9.58
8.57	20.58	2.90
2.14	3.28	2.15
3.35	5.06	1.81
0.34	1.61	0.36
0.51	0.29	0.57
35.74	32.47	17.46
3.67	24.50	16.83

12. Details of CSR expenditure

- (a) Gross amount required to be spent by the Company during the year
(b) Amount spent during the year ending on 31st March, 2016:
i) Construction / acquisition of any asset
ii) On purposes other than (i) above
(c) Amount spent during the year ending on 31st March, 2015:
i) Construction / acquisition of any asset
ii) On purposes other than (i) above

	March 31, 2016	March 31, 2015
	18.79	15.43
Paid in cash	Yet to be paid in cash	Total
-	-	-
27.02	-	27.02
Paid in cash	Yet to be paid in cash	Total
3.80	-	3.80
13.07	-	13.07

13. Sale of Informatics Division:

As approved by the Board on October 18, 2013, the informatics division of the Company, not considered to be a part of the core business, was sold on February 28, 2014 to Laurus Infosystems (India) Private Limited, a related party, on a going concern basis in accordance with an independent valuation, for a total consideration of Rs.32.50 million, received by way of cash. The transaction resulted in a profit of Rs 5 million over the net asset value of the division in the Company's books amounting to Rs 27.50 million and this profit is included in Other Income.

14. Summary of net assets and profit and loss - as required by Schedule III of Companies Act, 2013:

	Name of the entity	Net Assets*						Share in Profit/ (Loss)					
		As % of consolidated net assets	Net Assets	As % of consolidated net assets	Net Assets	As % of consolidated net assets	Net Assets	As % of consolidated loss	Net Profit/(loss)	As % of consolidated loss	Net Profit/(loss)	As % of consolidated loss	Net Profit/(loss)
		March 31, 2016		March 31, 2015		March 31, 2014		March 31, 2016		March 31, 2015		March 31, 2015	
A.	Parent	101.83%	8,673.95	100.72%	7,272.68	100.00%	3,584.17	108.23%	1435.68	107.53%	735.17	100.00%	972.17
B.	Subsidiary incorporated in India Viziphar Biosciences Private Limited	0.00%	(0.19)	0.00%	(0.28)	0.03%	1.15	0.01%	0.08	-0.21%	(1.43)	0.00%	-
C.	Subsidiary incorporated outside India Laurus Synthesis Inc.	0.41%	35.22	0.90%	64.74	0.00%	-	-7.90%	(104.73)	-7.93%	(54.20)	0.00%	-
D.	Associate incorporated in India (investment as per Equity Method)	0.83%	70.45	1.03%	74.47	0.00%	-	-0.30%	(4.02)	0.36%	2.49	0.00%	-
	Total	103.07%	8,779.43	102.64%	7,411.61	100.03%	3,585.32	100.04%	1,327.01	99.76%	682.03	100.00%	972.17
	Consolidation adjustments	-3.07%	(261.24)	-2.64%	(190.61)	-0.03%	(1.15)	-0.04%	(0.50)	0.24%	1.66	0.00%	-
	Net amount	100%	8,518.19	100%	7,221.00	100%	3,584.17	100%	1,326.51	100%	683.69	100%	972.17

* Net assets means total assets minus total liabilities excluding shareholders funds.

Note :

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of inter-company transactions / profits / consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

For and on behalf of the Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner
Membership No. 093649

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

G.Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date:

Place: Hyderabad
Date:

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure VI - Restated Consolidated Statement of Share Capital

(All amounts in Million Rupees except for share data or as otherwise stated)

		As at		
		March 31, 2016	March 31, 2015	March 31, 2014
Authorised				
Equity shares of face value of Rs.		10	10	10
Equity shares (No.)		24,787,037	16,746,097	20,899,496
Authorised Equity shares of (Rs. in million)	(a)	247.87	167.46	208.99
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of face value of Rs.		10	10	10
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (No.)		2,259,060	6,900,000	6,900,000
Authorised 0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (Rs.in million)	(b)	22.59	69.00	69.00
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of face value of Rs.		243	243	243
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (No.)		2,477,387	2,477,387	2,477,387
Authorised 0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (Rs.in million)	(c)	602.01	602.01	602.01
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of face value of Rs.		10	10	-
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (No.)		4,153,399	4,153,399	-
Authorised 0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (Rs.in million)	(d)	41.53	41.53	-
Total authorised share capital (a+b+c+d)		914.00	880.00	880.00
Issued, Subscribed and paid up				
Equity shares of face value of Rs.		10	10	10
Equity shares (No.)		15,767,255	15,511,880	15,379,755
Equity shares of (Rs. in million)	(a)	157.67	155.12	153.80
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of face value of Rs.		10	10	10
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (No.)		2,259,060	2,259,060	2,259,060
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (Rs.in million)	(b)	22.59	22.59	22.59
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of face value of Rs.		243	243	243
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (No.)		2,477,387	2,477,387	2,477,387
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (Rs.in million)	(c)	602.01	602.01	602.01
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of face value of Rs.		10	10	-
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (No.)		4,153,399	4,153,399	-
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (Rs.in million)	(d)	41.53	41.53	-
Total (a+b+c+d)		823.80	821.25	778.40

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated Consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

VI.a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at					
	March 31, 2016		March 31, 2015		March 31, 2014	
	No.	Rs.	No.	Rs.	No.	Rs.
Equity Shares of Rs.10/- Each, Fully paid up						
At the beginning of the year	15,511,880	155.12	15,379,755	153.80	15,240,630	152.41
Issued during the year	255,375	2.55	132,125	1.32	139,125	1.39
Outstanding at the end of the year	15,767,255	157.67	15,511,880	155.12	15,379,755	153.80
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of Rs.10/- each fully paid up						
At the beginning of the year	2,259,060	22.59	2,259,060	22.59	2,259,060	22.59
Outstanding at the end of the year	2,259,060	22.59	2,259,060	22.59	2,259,060	22.59
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of Rs.243/- each fully paid up						
At the beginning of the year	2,477,387	602.01	2,477,387	602.01	2,477,387	602.01
Outstanding at the end of the year	2,477,387	602.01	2,477,387	602.01	2,477,387	602.01
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of Rs.10/- each fully paid up						
At the beginning of the year	4,153,399	41.53	-	-	-	-
Issued during the year	-	-	4,153,399	41.53	-	-
Outstanding at the end of the year	4,153,399	41.53	4,153,399	41.53	-	-

VI.b. Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. For Liquidation terms and preferential rights refer Annexure VI.d.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to equity shareholders was Rs.2/- (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil)

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure VI - Restated Consolidated Statement of Share Capital

(All amounts in Million Rupees except for share data or as otherwise stated)

VI.c. Rights attached to Preference Shares

0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of Rs.10/- each fully paid up

During the year ended March 31, 2008, the Company issued 6,800,000 CCPCPS of Rs.10/- each fully paid at a premium of Rs. 140 per share and also during the year ended March 31, 2009, 88,690 CCPCPS had been issued at par as part of the scheme of amalgamation of Aptuit Informatics India Private Limited with the Company. Each CCPCPS at the option of the holder is convertible into one equity share or will automatically be converted into one equity share on the twentieth anniversary of the initial issuance. For Liquidation terms and preferential rights refer Annexure VI.d.

During the year ended March 31, 2012, the preference share holder converted 4,629,630 CCPCPS into equity shares and the balance of 2,259,060 CCPCPS was renamed as "Series A Preference Shares". Each "Series A Preference Shareholder" is entitled to cumulative preference dividend equal to 0.001% per financial year and to exercise one vote per one share at the general meetings of the Company. For Liquidation terms and preferential rights refer Annexure VI.d.

During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to Series A preference shareholders was Rs.2.00 (including arrears) (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil)

0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of Rs.243/- each fully paid up

During the year ended March 31, 2012, the Company had issued Series B Preference Shares of Rs. 243 each fully paid up aggregating 2,477,387 shares to FIL Capital Management (Mauritius) Limited, Fidelity India Principals and Dr.C.Satyanarayana(Promoter). Each Series B Preference Share at the option of the holder is convertible into one equity share or will automatically be converted into one equity share after completion of 19 years and 365 days from the date of issue. Each Series B Preference Shareholder is entitled to cumulative preference dividend equal to 0.001% per financial year and to exercise one vote per share at the general meetings of the Company. For Liquidation terms and preferential rights refer Annexure VI.d.

During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to Series B preference shareholders was Rs.2.00 (including arrears) (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil)

0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of Rs.10/- each fully paid up

During the year ended March 31, 2015, the Company had issued Series C Preference Shares of Rs. 10/- each fully paid up aggregating 4,153,399 shares to Bluewater Investment Limited ("Blue Water"). Each Series C Preference Share at the option of the holder is convertible into one equity share or will automatically be converted into one equity share after completion of 19 years and 365 days from the date of issue. Each Series C Preference Shareholder is entitled to cumulative preference dividend equal to 0.001% per financial year and to exercise one vote per share at the general meetings of the Company. For Liquidation terms and preferential rights refer Annexure VI.d.

During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to Series C preference shareholders was Rs.2.00 (including arrears) (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil)

VI.d. Liquidation terms and preferential rights

In case of winding up or liquidation, if the liquidation proceeds are adequate to cater to the amount of investment of Bluewater, FIL Capital Management (Mauritius) Limited and Fidelity India Principals as increased by an Internal Rate of Return (IRR) of 18% per annum computed thereon from the date of investment by each of them, then the liquidation proceeds will be shared equally among all the shareholders including preference shareholders proportionate to their holdings.

In the case of winding up or liquidation, if the liquidation proceeds are not adequate to cater to the amount of investment of Bluewater, FIL Capital Management (Mauritius) Limited and Fidelity India Principals, then such proceeds shall be distributed amongst Bluewater, FIL Capital Management (Mauritius) Limited, Fidelity India Principals and Promoter pari passu in proportion to Bluewater Investment Amount, FIL Capital Management (Mauritius) Limited Investment amount, Fidelity India Principals Investment amount and Promoter Investment Amount of Series B Preference Shares respectively. Of the remaining proceeds if any, the preference is defined as under:

- Contracted investment of Series A preference shareholders
- Promoter contracted investment amount of 465,000 equity shares
- Other shareholders including promoter contracted investment amount of equity shares
- Balance distributed to all shareholders in proportion to their shareholding.

VI.e. Details of Shareholders holding more than 5% shares of the Company:

	As at					
	March 31, 2016		March 31, 2015		March 31, 2014	
	% Holding	No.	% Holding	No.	% Holding	No.
Equity Shares of Rs. 10/- each Held By						
Dr.C.Satyanarayana	23.69%	3,734,500	24.08%	3,734,500	28.83%	4,434,500
Blue Water Investment Limited	21.12%	3,330,758	21.47%	3,330,758	-	-
FIL Capital Management (Mauritius) Limited	16.44%	2,592,872	16.72%	2,592,872	30.10%	4,629,630
Mrs.C.Naga Rani	9.89%	1,560,000	10.06%	1,560,000	10.14%	1,560,000
Dr. Raju S Kalidindi	8.24%	1,300,000	8.38%	1,300,000	8.45%	1,300,000
Yalavarthi Vijaya Lakshmi	3.81%	600,000	4.00%	600,000	5.36%	825,000
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of Rs.10/- each fully paid up						
Aptuit (Asia) Private Limited	100.00%	2,259,060	100.00%	2,259,060	100.00%	2,259,060
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of Rs.243/- each fully paid up						
FIL Capital Management (Mauritius) Limited	79.66%	1,973,531	79.66%	1,973,531	79.66%	1,973,531
Dr.C.Satyanarayana	18.61%	460,926	18.61%	460,926	18.61%	460,926
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of Rs.10/- each fully paid up						
Bluewater Investment Limited	100.00%	4,153,399	100.00%	4,153,399	-	-

VI.f. Details of Shares Reserved for issue under Options

For details of shares reserved for issue under Employee Stock Options Scheme plan of the Company, refer note 4 of Annexure V.

VI.g. Aggregate number shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has allotted 88,690 CCPCPS - Series A of face value of Rs. 10/- each as fully paid-up, in the financial year 2008-09, as part of scheme of amalgamation for consideration other than cash.

VI.h. Changes in share capital structure post March 31, 2016:

Subsequent to the year ended March 31, 2016, the authorised share capital of the Company has increased from Rs. 914.00 (comprising of 24,787,037 equity shares of Rs. 10/- each, 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each) to Rs. 1,110.00 (comprising of 44,387,037 equity shares of Rs. 10/- each, 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each). Subsequently, the authorised share capital of the Company has been reclassified to a single class of equity shares comprising of 111,000,000 equity shares of Rs. 10/- each.

The Board of Directors of the Company, in their meeting held on July 15, 2016, have approved the conversion of 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each into equal number of equity shares of face value of Rs. 10 each in the ratio of 1:1.

The Board of Directors of the Company, in their meeting held on July 15, 2016, have recommended to the shareholders for the issue and allotment of bonus shares in the ratio of 3 (three) equity shares for every 1 (One) equity share held by the equity shareholders of the Company, which has been subsequently approved in the extra-ordinary general meeting of the Company held on July 20, 2016.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure VII - Restated Consolidated Statement of Reserves and Surplus
(All amounts in Million Rupees except for share data or as otherwise stated)

		As at		
		March 31, 2016	March 31, 2015	March 31, 2014
Capital Reserve	(a)	17.92	17.92	17.92
Securities Premium				
Balance at the beginning of the year		4,045.63	1,130.99	1,117.68
Add : Premium on issue of Compulsorily Convertible Participatory Cumulative Preference shares (CCPCPS)		-	2,958.47	-
Add : transferred from stock options outstanding		25.30	13.27	13.31
Less: Share issue expenses		-	57.10	-
Closing balance	(b)	4,070.93	4,045.63	1,130.99
Employee stock option (refer note 4 of Annexure V)				
Gross employee stock compensation for options granted in earlier years		50.32	47.59	61.38
Add: gross compensation for options granted during the year		91.37	19.09	6.77
Less: gross compensation for options forfeited during the year		6.64	3.08	1.34
Less: deferred employee stock compensation		83.17	20.88	19.90
Less: transfer to securities premium on exercise of stock option		25.30	13.27	13.31
Closing balance	(c)	26.58	29.45	33.60
Surplus in the Statement of profit and loss as restated				
Balance at the beginning of the year as restated		2,306.95	1,623.26	651.09
Add : Restated Profit for the year		1,326.51	683.69	972.17
Less: Appropriations				
Proposed final equity dividend (Refer Annexure VI.b.)		31.53	-	-
Tax on proposed final equity dividend		6.42	-	-
Proposed dividend on CCPCPS - Series A, Series B and Series C (Refer Annexure VI.c.)		17.81	-	-
Tax on proposed dividend on CCPCPS - Series A, Series B and Series C		3.63	-	-
Net surplus in the Statement of profit and loss as restated	(d)	3,574.07	2,306.95	1,623.26
Foreign Currency Translation Reserve (FCTR)				
Balance at the beginning of the year		(0.20)	-	-
Add : Current year FCTR		5.09	(0.20)	-
Closing balance	(e)	4.89	(0.20)	-
Total (a+b+c+d+e)		7,694.39	6,399.75	2,805.77

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated Consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

	March 31, 2016	March 31, 2015	March 31, 2014
A) Non Current portion			
Term Loans			
Indian Rupee loans from banks (Secured) (a and c)	3,333.31	2,627.91	1,655.42
Foreign currency loans from banks (Secured) (b and c)	44.31	253.96	202.66
Foreign currency loans from banks (Unsecured) (b and e)	1,061.33	-	-
Buyers Credit (Secured) (b and c)	141.79	133.79	0.00
Other Loans and Advances			
Vehicle loans from banks (Secured) (d)	25.54	21.11	23.64
Total	4,606.28	3,036.77	1,881.72
B) Current Maturities			
Term Loans			
Indian Rupee loans from banks (Secured) (a and c)	765.68	698.26	330.20
Foreign currency loans from banks (Secured) (b and c)	89.68	144.62	81.25
Other Loans and Advances			
Vehicle loans from banks (Secured) (d)	15.72	15.06	13.14
Amount disclosed under the head 'other current liabilities' (Refer Annexure XIV)	871.08	857.94	424.59

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) There are no amounts due to Associate / Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors / Entities having significant influence / Key Managerial Personnel.

(a) The details of Indian rupee loans from banks as at March 31, 2016 are as under:

Name of the Bank	Outstanding As on March 31, 2016	Sanction Amount	No. of Instalments	Commencement of instalments	Rate of Interest	Default Charges	Pre-Payment charges
State Bank of India (SBI)	450.00	450.00	20 quarterly instalments ranging from Rs. 18.00 to Rs.24.00	December 2016	Base rate plus 2.00% - 2.50 % p.a.	Penal interest @ 1.00% to 2.00% p.a. for default of certain covenants and /or in payment of interest and /or instalment to the bank /any other lender for the period of such default. Total penal interest in any case shall not exceed 3.00% p.a.	2.00% of the pre-paid amount unless from own funds.
State Bank of India (SBI)	430.00	490.00	23 quarterly instalments ranging from Rs. 20.00 to Rs.22.50	September 2015	Base rate plus 2.50% - 3.20 % p.a.	Penal interest @ 1.00% to 2.00% p.a. for default of certain covenants and /or in payment of interest and /or instalment to the bank /any other lender for the period of such default. Also, 1.20% for delay in drawdown beyond specified schedule. However, total penal interest in any case shall not exceed 3.00% p.a.	2.00% of the pre-paid amount unless from own funds.
State Bank of India (SBI)	127.50	300.00	8 quarterly instalments ranging from Rs. 15.00 to Rs.22.50	June 2016	Base rate plus 3.45 % p.a.	Penal interest @ 1.00% to 2.00% p.a. for default of certain covenants and /or in payment of interest and /or instalment to the bank /any other lender for the period of such default. Also, 1.20% for delay in drawdown beyond specified schedule. However, total penal interest in any case shall not exceed 3.00% p.a.	2.00% of the pre-paid amount unless from own funds.
Export-Import Bank of India (EXIM)	450.00	490.00	23 quarterly instalments ranging from Rs. 20.00 to Rs.22.50	December 2015	Base rate plus 2.00% p.a.	Additional 2.00% p.a. payable for default in payment of principal, interest or any other monies. In case of USD draws, additional 1.00% p.a. or maximum interest rate applicable upon conversion to rupee loan. 1.00% for delay in creating satisfactory mortgage security upon first disbursement and default in providing certain information until such default continues on respective due dates.	1.00% of the outstanding amount.
Export-Import Bank of India (EXIM)	654.27	1000.00	18 equal quarterly instalments of Rs.55.55	September 2014	Base rate plus 2.00% p.a.	Additional 2.00% p.a. payable for default in payment of principal, interest or any other monies. Additional interest upto 1.00% for delay in creating satisfactory mortgage security/ submission of NOCs from all existing chargeholders upon first disbursement and default in providing certain information until such default continues on respective due dates.	1.00% of the outstanding amount.
Punjab National Bank (PNB)	1450.00	1450.00	20 quarterly instalments ranging from Rs. 57.00 to Rs.76.00	December 2016	Base rate plus 1.75% p.a.	Penal interest of 2.00% p.a. for default in observance of borrowing covenants. However, additional interest may be charged on delay in creation of security on subsequent disbursements.	2.00% of the pre-paid amount unless from own funds.
ICICI Bank (ICICI)	37.22	67.67	20 quarterly instalments of Rs. 3.38	February 2014	Base rate plus 2.50% p.a.	Additional 6.00% p.a. for delay in repayment of principal/ interest/ charges or any other monies due on the facility until over dues are paid. Also 1.00% p.a. for not obtaining external ratings within 6 months.	If the loan is prepaid within 45 days from the date of spread reset by bank, no prepayment penalty. Else, applicable prepayment premium as stipulated by the Bank.
HSBC Bank (HSBC)	500.00	500.00	10 quarterly instalments of Rs. 50	September 2016	Base rate plus 0.6% p.a.	All bank facilities shall become payable immediately upon breach of any covenants and conditions.	Penalties at banker's discretion.

(b) Foreign Currency loans from banks as at March 31, 2016 comprise of ECB loan, Long Term Buyer's Credit and Foreign Currency Non Residential Term Loan (FCNR TL):

Name of the Bank & Nature of Loan	Outstanding As on March 31, 2016	Sanction Amount	No. of Instalments	Commencement of instalments	Rate of Interest	Default Charges	Pre-Payment charges
Bank of Bahrain and Kuwait (BBK) - ECB Loan	133.99	US\$ 5.40 Mn	16 quarterly instalments ranging from US\$ 0.338 to US\$ 0.330.	November 2013	London Inter -Bank Offered Rate (LIBOR) plus 3.50% p.a.	Additional 2.00% p.a. payable on total funded amount outstanding for default in payment of principal, interest or terms and conditions of the sanction.	1.50% of the pre-paid amount unless from own funds.
ICICI Bank (ICICI) - Buyer's Credit	141.79	US\$ 2.14 Mn	Single instalment	April 2017	LIBOR plus 0.74% p.a.	Additional 6.00% p.a. for delay in repayment of principal / interest / charges or any other monies due on the facility until over dues are paid. Also 1.00% p.a. for not obtaining external rating within 6 months.	If the loan is prepaid within 45 days from the date of spread reset by bank, no prepayment penalty. Else, applicable prepayment premium as stipulated by the Bank.
CITI Bank (CITI) - FCNR TL	1061.33	US\$ 21 Mn	Single instalment	February 2018	LIBOR plus 1.7% p.a.	Additional 4.00% p.a. on overdues / delays / default in payment of any monies.	USD 10,000.

- (c) All Term loans (except ICICI) as at March 31, 2016 are secured by pari passu first charge on the fixed assets (both present and future) except to the extent of assets exclusively charged to banks. It is further secured by pari passu second charge on current assets both present and future. Also personal guarantees have been given by the Chief Executive Officer and one of the Executive Directors of the Company.
ICICI Term loan and buyers credit is secured by exclusive charge on the movable machinery / fixed assets procured from the term loan / buyers credit sanctioned by ICICI Bank and also personal guarantees have been given by the Chief Executive Officer and one of the Executive Directors of the Company.
- (d) Vehicle loans as at March 31, 2016 from banks are repayable in instalments ranging from 36 to 48 months from the date of the loan and secured by hypothecation of the respective vehicles.
- (e) CITI Bank Term loan as at March 31, 2016 is secured by Standby Letter of Credit (SBLC) from Citibank N.A, South Africa on behalf of a customer.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure IX - Restated Consolidated Statement of Deferred Tax liability (net)

(All amounts in Million Rupees except for share data or as otherwise stated)

		As at		
		March 31, 2016	March 31, 2015	March 31, 2014
Deferred Tax Liability				
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of fixed assets		630.39	490.28	273.60
	(A)	630.39	490.28	273.60
Deferred Tax Asset				
Income tax at the applicable rate on unabsorbed business loss and depreciation		(121.24)	(333.70)	(116.07)
Impact of expenditure charged to the statement of Profit and loss in the current year but allowed for tax purposes on payment basis		(61.39)	(53.91)	(39.35)
	(B)	(182.63)	(387.61)	(155.42)
Deferred tax liability (Net)	(A+B)	447.76	102.67	118.18

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure X - Restated Consolidated Statement of Other Long Term Liabilities

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Advances from Customers	441.56	446.58	-
Total	441.56	446.58	-

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XI - Restated Consolidated Statement of Provisions

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
A) Long Term Provisions			
Provision for Gratuity (Refer note 3 of Annexure V)	67.71	51.26	39.33
Total	67.71	51.26	39.33
B) Short Term Provisions			
Provision for Gratuity (Refer note 3 of Annexure V)	6.70	4.16	3.10
Provision for Compensated absences	69.82	50.36	37.58
Provision for Taxation	60.12	12.48	28.99
Proposed final equity dividend	31.53	-	-
Provision for tax on proposed final equity dividend	6.42	-	-
Proposed dividend on CCPCPS - Series A, Series B and Series C	17.81	-	-
Provision for tax on proposed dividend on CCPCPS - Series A, Series B and Series C	3.63	-	-
Total	196.03	67.00	69.67

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XII - Restated Consolidated Statement of Short term borrowings

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Cash Credits and Working Capital Demand Loan			
Indian Rupee loans from banks (Secured)	3,872.63	2,564.54	2,534.41
Foreign Currency loans from banks (Secured)	132.00	394.36	-
Buyers Credit from banks (Secured)	809.56	1,357.45	587.43
Total	4,814.19	4,316.35	3,121.84

Short term borrowings as at March 31, 2016 are availed in both Rupee and Foreign currencies. Interest on rupee loans ranges from Base rate plus 1% to 2.25%. Buyers credit loan interest ranges from LIBOR plus 0.25% to 0.52%. These borrowings are secured by pari passu first charge on current assets and pari passu second charge on the fixed assets (both present and future). Also personal guarantees have been given by the Chief Executive Officer and one of the Executive Directors of the Company.

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) There are no amounts due to Associate/ Directors/Promoters/Promoter Group/Relatives of Promoters/Relatives of Directors/ Entities having significant influence/ Key Managerial Personnel.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XIII - Restated Consolidated Statement of Trade Payables

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Outstanding dues to micro enterprises and small enterprises (Refer note 5 of Annexure V for details of the amount due to Micro and Small Enterprises)	5.22	2.73	5.11
	5.22	2.73	5.11
Outstanding dues to creditors other than micro enterprises and small enterprises	2,488.15	2,305.36	2,269.62
Total	2,488.15	2,305.36	2,269.62

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated Consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XIV - Restated Consolidated Statement of Other Current Liabilities

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Current maturities of long term borrowings (refer Annexure VIIIB)	871.08	857.94	424.59
Capital creditors	303.08	341.18	531.99
Interest accrued but not due on borrowings	45.92	40.35	19.61
Advances from customers	178.16	54.73	626.57
Statutory dues	47.13	39.23	39.74
Loans and advances from holding companies	-		
Total	1,445.37	1,333.43	1,642.50

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XV - Restated Consolidated Statement of Fixed Assets

(All amounts in Million Rupees except for share data or as otherwise stated)

	Tangible Assets								Intangible Assets					
Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles	Total Tangible Assets (A)	Computer Software purchased	Computer Software Internally generated	Goodwill	Goodwill on Consolidation	Total Intangible Assets (B)	Grand Total (A+B)
Gross Block														
As at April 01, 2013	130.60	274.57	856.88	1,700.42	172.85	82.45	50.23	3,268.00	15.98	4.57	14.54	-	35.09	3303.09
Additions	161.35	493.55	459.14	1,770.55	4.13	20.10	24.99	2,933.81	47.27	13.12	-	3.39	63.78	2997.59
Additions on acquisition of subsidiary company	-	-	-	14.03	0.14	0.53	-	14.70	-	-	-	-	0.00	14.70
Disposals / Adjustments	-	-	-	(6.25)	(0.87)	(35.16)	(7.72)	(50.00)	-	(17.69)	(14.54)	-	(32.23)	(82.23)
As at April 01, 2014	291.95	768.12	1,316.02	3,478.75	176.25	67.92	67.50	6,166.51	63.25	-	-	3.39	66.64	6,233.15
Additions	-	1.30	885.35	2623.40	58.35	30.21	19.26	3,617.87	27.69	0.00	-	-	27.69	3645.56
Disposals	-	-	-	(8.43)	-	(0.72)	(4.43)	(13.58)	-	-	-	-	-	(13.58)
As at March 31, 2015	291.95	769.42	2,201.37	6,093.72	234.60	97.41	82.33	9,770.80	90.94	-	-	3.39	94.33	9,865.13
Additions	63.13	34.04	1,447.07	2,072.34	72.42	36.57	29.40	3,754.97	21.70	-	-	-	21.70	3,776.67
Disposals	-	-	-	(1.84)	-	(0.53)	(17.48)	(19.85)	-	-	-	-	-	(19.85)
Exchange Difference	-	-	-	-	0.15	0.14	-	0.29	-	-	-	-	-	0.29
As at March 31, 2016	355.08	803.46	3,648.44	8,164.22	307.17	133.59	94.25	13,506.21	112.64	-	-	3.39	116.03	13,622.24
Depreciation/Amortisation/														
As at April 01, 2013	15.42	-	137.28	601.68	97.60	58.32	15.04	925.34	7.38	0.28	14.54	-	22.20	947.54
Charge for the year	6.66	-	33.34	241.46	17.22	8.20	11.05	317.93	9.09	1.78	-	-	10.87	328.80
Additions on acquisition of subsidiary company	-	-	-	11.67	0.11	0.49	-	12.27	-	-	-	-	-	12.27
Disposals / Adjustments	-	-	-	(1.29)	(0.41)	(24.39)	(5.52)	(31.61)	-	(2.06)	(14.54)	-	(16.60)	(48.21)
As at April 01, 2014	22.08	-	170.62	853.52	114.52	42.62	20.57	1,223.93	16.47	-	-	-	16.47	1,240.40
Charge for the year	8.29	-	56.17	489.75	19.24	14.15	14.34	601.94	13.32	-	-	-	13.32	615.26
Disposals	-	-	-	(0.97)	-	(0.72)	(2.37)	(4.06)	-	-	-	-	-	(4.06)
As at April 01, 2015	30.37	-	226.79	1,342.30	133.76	56.05	32.54	1,821.81	29.79	-	-	-	29.79	1,851.60
Charge for the year	9.18	-	112.16	718.58	29.02	18.04	15.93	902.91	18.97	-	-	-	18.97	921.88
Disposals	-	-	-	(0.04)	-	(0.53)	(10.63)	(11.20)	-	-	-	-	-	(11.20)
Exchange Difference	-	-	-	0.07	0.01	0.02	-	0.10	-	-	-	-	-	0.10
As at March 31, 2016	39.55	-	338.95	2,060.91	162.79	73.58	37.84	2,713.62	48.76	-	-	-	48.76	2,762.38
Accumulated Impairment														
As at April 01, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	3.39	3.39	3.39
As at March 31, 2015	-	-	-	-	-	-	-	-	-	-	-	3.39	3.39	3.39
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	3.39	3.39	3.39
Net Block														
As at March 31, 2014	269.87	768.12	1,145.40	2,625.23	61.73	25.30	46.93	4,942.58	46.78	-	-	3.39	50.17	4,992.75
As at March 31, 2015	261.58	769.42	1,974.58	4,751.42	100.84	41.36	49.79	7,948.99	61.15	-	-	-	61.15	8,010.14
As at March 31, 2016	315.53	803.46	3,309.49	6,103.31	144.38	60.01	56.41	10,792.59	63.88	-	-	-	63.88	10,856.47

Capital Work in Progress (including expenditure during construction period - refer note 11 of Annexure V) : Rs. 696.00 (March 31, 2015 - Rs. 1,096.69, March 31, 2014 - Rs. 1,160.99)

* includes expenditure during the construction period amounting to Rs. 35.74 (March 31, 2015: Rs. 32.47, March 31, 2014: Rs. 17.46) (Also refer note 11 of Annexure V).

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

3) Goodwill disclosed under fixed assets represents excess of consideration over the net book value of assets acquired as a result of the amalgamation of Aptuit Informatics India Private Limited with the Group.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XVI - Restated Consolidated Statement of Non Current Investments

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Non-trade investments (valued at cost unless stated otherwise) (unquoted)			
Investment in Associate			
3,834,908 (March 31, 2015 : 3,834,908, March 31, 2014: Nil) Equity Shares of Rs.10 each of Sriam Labs Private Limited (includes Goodwill amounting to Rs. 3.28 (March 31, 2015: Rs. 3.28, March 31, 2014: Rs. Nil)	71.98	71.98	-
Add : Opening Balance of Accumulated Profit	2.49	-	-
Add : Share of profit / (loss) from Associate	(4.02)	2.49	-
Total	70.45	74.47	-

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XVII - Restated Consolidated Statement of Loans and Advances

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
A) Long Term (Unsecured, Considered Good unless otherwise stated)			
Capital Advances	207.61	250.42	191.29
Security Deposit	80.58	50.98	28.64
Advances Recoverable in Cash or Kind			
Considered Good	-	21.26	-
Considered Doubtful	1.06	1.64	1.38
Other Loans and Advances			
Prepaid expenses	1.08	-	
Advance Tax	0.39	0.79	1.37
Minimum Alternate Tax Credit Entitlement	989.60	608.94	456.69
Tax paid under protest	7.05	7.05	7.05
	1,287.37	941.08	686.42
Less: Provision for doubtful advances	(1.06)	(1.64)	(1.38)
Total	1,286.31	939.44	685.04
B) Short Term (Unsecured, Considered Good unless otherwise stated)			
Advances Recoverable in cash or kind	70.75	117.53	92.68
Loans and advances to related parties			
Considered Good	35.00	-	-
Other Loans and Advances			
Loans and Advances to Employees	5.83	2.68	2.15
Prepaid expenses	62.94	84.32	52.01
Balances with Statutory / Government Authorities	127.05	107.30	103.20
Total	301.57	311.83	250.04

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) Following are the amounts due from Associate/ Directors/Promoters/Promoter Group/Relatives of Promoters/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel:

	March 31, 2016	March 31, 2015	March 31, 2014
Sriam Labs Private Limited	35.00	-	-

- 4) List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XVIII - Restated Consolidated Statement of Other Assets

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
A) Other Non Current Assets (Unsecured, considered good unless stated otherwise)			
Non Current Bank Deposits (Annexure XXI)	7.31	75.48	112.06
Interest Accrued on Deposits	0.47	5.94	1.61
Unamortised processing fee	8.88	16.38	16.99
Export and other incentives receivable	73.90	41.93	14.58
Total	90.56	139.73	145.24
B) Other Current Assets (Unsecured, considered good unless stated otherwise)			
Interest Accrued on Deposits	10.39	8.52	4.52
Insurance Claim Receivable	29.85	85.38	29.12
Unamortised processing fee	5.57	8.88	8.71
Export and other incentives receivable	115.51	20.98	22.46
Others	0.78	22.47	0.71
	162.10	146.23	65.52
Less: Provision for insurance claim receivable	(29.85)	(29.85)	(29.12)
Total	132.25	116.38	36.40

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XIX - Restated Consolidated Statement of Inventories

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
(At lower of cost and net realisable value)			
Raw Materials [including Port Stock and Stock in transit Rs. 787.95 (March 31, 2015: Rs. 1,086.48, March 31, 2014: Rs.679.18)]	2,182.40	2,310.94	1,688.16
Work-in-progress	1,408.01	1,464.25	1,062.23
Finished Goods	1,222.06	915.04	472.53
Stores, spares and packing materials	58.46	64.73	58.05
Total	4,870.93	4,754.96	3,280.97

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XX - Restated Consolidated Statement of Trade Receivables

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, Considered Good	63.70	18.58	9.34
Doubtful	-	4.74	4.74
	63.70	23.32	14.08
Less: Provision for doubtful receivables	-	4.74	4.74
	63.70	18.58	9.34
Other Receivables			
Unsecured, Considered Good	4,384.87	2,832.08	1,939.42
	4,384.87	2,832.08	1,939.42
Total	4,448.57	2,850.66	1,948.76

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) There are no amounts due from Associate / Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors / Entities having significant influence / Key Managerial Personnel.
- 4) List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXI - Restated Consolidated Statement of Cash and Bank Balances

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Cash and Cash Equivalents			
Balances with Banks			
- On Current Accounts	125.26	242.97	150.46
- Deposits with original maturity of less than three months	0.49	150.00	-
Cash on Hand	2.31	2.31	0.62
Other Bank Balances			
On Deposit Accounts			
- Remaining maturity for more than twelve months	7.31	75.48	112.06
- Remaining maturity for less than twelve months	149.29	193.57	80.87
	156.60	269.05	192.93
Less : Amount disclosed under Other Assets (Refer Annexure XVIII)	(7.31)	(75.48)	(112.06)
Total	277.35	588.85	231.95

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) Deposits with a carrying amount of Rs. 156.60 (March 31, 2015: Rs. 269.05, March 31, 2014: Rs. 192.93) are towards margin money given for letter of credit and bank guarantees.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXII - Restated Consolidated Statement of Revenue from operations
(All amounts in Million Rupees except for share data or as otherwise stated)

		For the year ended		
		March 31, 2016	March 31, 2015	March 31, 2014
Sale of Products				
Income from Sale of API and Intermediates		17,487.02	13,121.05	11,261.29
Income from Sale of Traded goods		161.37	69.27	88.51
	(A)	17,648.39	13,190.32	11,349.80
Sale of Services				
Contract Research Services		240.75	66.06	154.81
Software Services		-	-	117.14
	(B)	240.75	66.06	271.95
Other Operating Revenue				
Sale of Scrap		13.92	8.70	5.83
Export and other Incentives		162.14	29.85	8.47
Others		106.60	84.31	20.81
	(C)	282.66	122.86	35.11
(A+B+C)		18,171.80	13,379.24	11,656.86
Less: Excise Duty		334.08	113.34	59.69
Revenue from Operations (Net)		17,837.72	13,265.90	11,597.17

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXIII - Restated Consolidated Statement of Other Income

(All amounts in Million Rupees except for share data or as otherwise stated)

	Nature	Related / not related to business activity	For the years ended		
			March 31, 2016	March 31, 2015	March 31, 2014
Interest Income on					
Deposits and Margin money	recurring	not related	20.70	20.00	14.61
Others	recurring	not related	2.90	1.69	20.28
Net Gain on Foreign Exchange Fluctuations	recurring	related	46.40	181.89	40.65
Insurance Claim Receivable	non recurring	not related	-	118.07	2.21
Profit on Sale of Assets (net)	non recurring	not related	-	0.16	-
Reversal of provision for doubtful advance and receivables (Net)	non recurring	related	5.32	-	-
Bad debts recovered	non recurring	related	-	-	2.00
Liabilities no longer required written back	non recurring	related	-	16.45	-
Profit on sale of informatics division (Refer note 13 of Annexure V)	non recurring	not related	-	-	5.00
Miscellaneous Income	non recurring	not related	0.61	2.45	3.42
Total			75.93	340.71	88.17

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) The classification of other income as recurring / not-recurring, related / not-related to business activity is based on the current operations and business activity of the group and its associate is as determined by the management.

		For the years ended		
		March 31, 2016	March 31, 2015	March 31, 2014
Raw Materials Consumed				
Opening stock at the beginning of the year		2,310.94	1,688.16	692.89
Add : Purchases		10,041.26	9,643.07	8,823.43
Less : Sale of materials		67.03	24.93	
		12,285.17	11,306.30	9,516.32
Less : Closing stock at the end of the year		2,182.40	2,310.94	1,688.16
	(A)	10,102.77	8,995.36	7,828.16
Packing Materials Consumed	(B)	80.11	70.94	54.72
Total	(A+B)	10,182.88	9,066.30	7,882.88

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXV - Restated Consolidated Summary Statement of Increase in Inventories of Finished Goods and Work-in-Progress

(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Opening stock of inventories			
Finished goods of API and Intermediates	915.04	472.53	464.22
Work-in-Progress of API and Intermediates	1,464.25	1,062.23	367.61
	<u>2,379.29</u>	<u>1,534.76</u>	<u>831.83</u>
Closing stock of inventories			
Finished goods of API and Intermediates	1,222.06	915.04	472.53
Work-in-Progress of API and Intermediates	1,408.01	1,464.25	1,062.23
	<u>2,630.07</u>	<u>2,379.29</u>	<u>1,534.76</u>
Increase in inventories of finished goods and work-in-progress	<u>(250.78)</u>	<u>(844.53)</u>	<u>(702.93)</u>
(Increase) in Finished goods of API and Intermediates	(307.02)	(442.51)	(8.31)
Decrease/(Increase) in Work-in-Progress of API and Intermediates	56.24	(402.02)	(694.62)
Increase in inventories of finished goods and work-in-progress	<u>(250.78)</u>	<u>(844.53)</u>	<u>(702.93)</u>

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXVI - Restated Consolidated Statement of Other Manufacturing Expenses
(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Consumption of stores and spares	174.01	123.71	53.58
Conversion charges	302.35	251.36	122.13
Factory maintenance	185.86	144.05	84.03
Effluent treatment expenses	133.94	113.06	103.21
Power and Fuel	579.55	498.62	350.30
Repairs & maintenance			
Plant and machinery	103.89	66.09	36.00
Buildings	18.91	11.59	5.73
Others	3.45	3.20	6.82
Product development	24.67	6.96	10.64
Others	26.93	13.75	4.17
Total	1,553.56	1,232.39	776.61

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXVII - Restated Consolidated Statement of Employee Benefit Expenses
(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Salaries, allowances and wages	1,477.73	1,039.46	792.82
Contribution to provident fund and other funds	66.59	56.38	44.48
Gratuity expense (Refer note 3 of Annexure V)	23.49	15.98	12.74
Employee Stock Option Charge	22.43	9.10	17.62
Managerial remuneration	130.58	68.14	79.77
Recruitment and training	16.27	14.44	8.63
Staff welfare expenses	160.40	124.70	85.09
Total	1,897.49	1,328.20	1,041.15

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

	For the years ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Rent	49.48	25.07	21.30
Rates and taxes	35.45	27.46	18.45
Office maintenance	18.68	20.91	21.04
Insurance	49.21	43.16	29.39
Printing and stationery	13.56	12.81	8.96
Consultancy and other professional charges	68.85	61.99	98.71
Membership and subscription	23.73	12.06	10.42
Remuneration to auditors			
-Audit Fee	4.10	3.30	2.70
-Tax audit fee	0.40	0.40	0.30
-Other services	0.17	0.15	0.12
-Out of pocket expenses	0.07	0.06	0.05
Travelling and conveyance	73.57	50.37	41.47
Communication expenses	16.51	13.08	10.02
Loss on sale of fixed assets (net)	2.98	-	1.35
Advances and bad debts written off	16.56	0.99	3.29
Provision for doubtful advance and receivables	-	0.26	2.36
Impairment of goodwill on consolidation (refer Annexure XV)	-	3.39	-
Provision for Insurance claim receivable	-	0.73	29.12
Carriage outwards	63.32	63.04	82.92
Commission on sales	48.55	12.73	13.56
Royalty	15.59	-	-
Other selling expenses	11.13	9.62	6.28
Business Promotion and Advertisement	41.86	39.22	22.68
CSR Expenditure (Refer note 12 of annexure V)	27.02	16.87	-
Donations	0.90	0.46	5.09
Miscellaneous expenses	1.56	1.75	2.22
Total	583.25	419.88	431.80

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXIX - Restated Consolidated Statement of Finance Expenses
(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Interest			
- on Term loans	476.66	360.85	154.10
- on working capital loans	493.89	444.49	300.45
- on others	16.40	6.61	7.66
Premium on forward contracts amortised	89.16	100.98	63.09
Bank charges	72.96	98.16	61.82
Exchange Difference to the extent considered as an adjustment to borrowing costs	51.18	50.48	52.35
Total	1,200.25	1,061.57	639.47

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXX - Restated Consolidated Statement of Related Party Transactions

(All amounts in Million Rupees except for share data or as otherwise stated)

Names of related parties and description of relationship

Relationship	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
Company which exercises significant influence			
	-	FIL Capital Management (Mauritius) Limited *	FIL Capital Management (Mauritius) Limited
	-	FIL Capital Advisors Trustee Company Private Limited *	FIL Capital Advisors Trustee Company Private Limited
	Bluewater Investment Limited	Bluewater Investment Limited **	-
Associate Company	Sriam Labs Private Limited	Sriam Labs Private Limited #	-
Names of related parties in which key management personnel exercise significant influence	Laurus Infosystems (India) Private Limited	Laurus Infosystems (India) Private Limited	Laurus Infosystems (India) Private Limited
Key Management Personnel	Dr. C. Satyanarayana	Dr. C. Satyanarayana	Dr. C. Satyanarayana
	Dr. Raju S Kalidindi	Dr. Raju S Kalidindi	Dr. Raju S Kalidindi
	Mr. V.V. Ravi Kumar	Mr. V.V. Ravi Kumar	Mr. V.V. Ravi Kumar
Relatives of Key Management Personnel	Mr. C. Narasimha Rao	Mr. C. Narasimha Rao	Mr. C. Narasimha Rao
	Mr. C. Chandrakanth	Mr. C. Chandrakanth	Mr. C. Chandrakanth
	Mrs. C. Soumya	Mrs. C. Soumya	Mrs. C. Soumya

* Ceased to exercise significant influence from October 29, 2014

** effective from October 29, 2014

effective from April 25, 2014

Transactions during the year:

	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
a) Company which exercises significant influence			
i) Bluewater Investment Limited			
Issue of Preference Shares including Securities Premium	-	3,000.00	-
b) Associate Company			
i) Sriam Labs Private Limited			
Investments made	-	71.98	-
Advance given	35.00		-
Conversion charges	7.95	5.10	-
Purchase of goods	160.26	309.43	-
Sale of goods	4.83	0.59	-
Sale of assets	1.19	1.65	-
c) Company where key management personnel exercise significant influence			
i) Laurus Infosystems (India) Private Limited			
Sale of Informatics Division		-	-
Software Maintenance	19.19	12.81	32.50
d) Key Management Personnel			
i) Dr. C. Satyanarayana			
Remuneration	77.03	33.61	45.38
ii) Dr. Raju S Kalidindi			
Remuneration	23.04	13.50	13.93
iii) Mr. V.V. Ravi Kumar			
Remuneration	23.04	13.50	13.93
Rent	0.63	0.53	0.43
e) Relatives of Key Management Personnel			
i) Mr. C. Narasimha Rao			
Remuneration	4.13	3.08	2.66
ii) Mr. C. Chandrakanth			
Remuneration	6.35	4.82	4.58
ii) Mrs. C. Soumya			
Rent	1.25	1.05	0.86

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXX - Restated Consolidated Statement of Related Party Transactions

(All amounts in Million Rupees except for share data or as otherwise stated)

Closing Balances

	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
a) Associate Company			
i) Sriam Labs Private Limited			
Disclosed under short term loans & advances	35.00	-	-
Disclosed under trade payables	1.87	78.88	-
b) Company where key management personnel exercise significant influence			
i) Laurus Infosystems (India) Private Limited			
Disclosed under Trade Payables	1.75	-	-
c) Key Management Personnel			
i) Dr. C. Satyanarayana*			
Remuneration payable	38.50	-	27.76
ii) Dr. Raju S Kalidindi*			
Remuneration payable	7.70	-	5.52
i) Mr. V.V. Ravi Kumar			
Remuneration payable	7.70	-	5.52
Rent Payable	0.05	0.09	0.04
d) Relatives of Key Management Personnel			
i) Mr. C. Narasimha Rao			
Remuneration payable	0.87	0.50	0.41
ii) Mr. C. Chandrakanth			
Remuneration payable	1.42	0.86	0.86
iii) Mrs. C. Soumya			
Rent Payable	0.10	0.18	0.09

* Key Management personnel have given personal guarantees as collateral security in favour of bankers in connection with term loans, cash credit facilities and buyer's credit whose closing balance in total is Rs. 9,188.96 (March 31,2015: Rs. 8,174.89, March 31,2014: Rs. 5,391.37).

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statements of the group and its associate.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXI - Restated Consolidated Statement of Accounting Ratios
(All amounts in Million Rupees except for share data or as otherwise stated)

		As at/ year ended		
		March 31, 2016	March 31, 2015	March 31, 2014
Net Profit after tax as restated	A	1,326.51	683.69	972.17
Less: Preference dividend and tax thereon		(21.41)	(0.01)	(0.01)
Net profit after tax (as restated) attributable to equity shareholders	B	1,305.10	683.68	972.16
Weighted average no. of equity shares outstanding during the year used for computing Basic EPS (refer Note 4 below)	C	15,644,494	15,444,500	15,296,107
Add: Effect of dilution				
Convertible preference shares/ warrants	D	8,889,846	6,488,840	4,736,447
Stock options granted under ESOP	E	64,068	240,767	253,546
Weighted average no. of equity shares for calculating Diluted EPS	F=C+D+E	24,598,408	22,174,107	20,286,100
Net Worth at the end of the year (Rs. in million) (refer Note 5 below)	G	8,518.19	7,221.00	3,584.17
Total no. of equity shares outstanding at the end of the year	H	15,767,255	15,511,880	15,379,755
Accounting ratios prior to issue of bonus shares (refer note 7 below):				
Basic earnings per share (EPS) (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(a) below)	I=B / C	83.42	44.27	63.56
Diluted earnings per share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(b) below)	J=A / F	53.93	30.83	47.92
Return on Net Worth (%) (Refer Note 3(c) below)	K=A / G	15.57%	9.47%	27.12%
Net asset value per equity share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(d) below)	L=G / H	540.25	465.51	233.04
Accounting ratios post issue of bonus shares (refer note 7 below):				
Basic earnings per share (EPS) (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(a) below)		20.86	11.07	15.89
Diluted earnings per share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(b) below)		13.48	7.71	11.98
Return on Net Worth (%) (Refer Note 3(c) below)		15.57%	9.47%	27.12%
Net asset value per equity share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(d) below)		135.06	116.38	58.26

Notes:

1. The figures disclosed above are based on the restated consolidated summary statements of the group and its associate.

2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXI - Restated Consolidated Statement of Accounting Ratios
(All amounts in Million Rupees except for share data or as otherwise stated)

3. The Ratios have been computed as below

(a) Basic Earnings per share (Rs.)	$\frac{\text{Net profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$
(b) Diluted Earnings per share (Rs.)	$\frac{\text{Net profit after tax}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
(c) Return on Net Worth (%)	$\frac{\text{Net Profit after tax}}{\text{Net worth at the end of the year}}$
(d) Net asset value per share (Rs.)	$\frac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

4. 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 year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. Net worth for ratios mentioned in note 3(c) and 3(d) represents the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

6. Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly.

7. Subsequent to March 31, 2016, the Board of Directors of the Company, in their meeting held on July 15, 2016, have approved the conversion of 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each into equal number of equity shares of face value of Rs. 10 each in the ratio of 1:1. Also, the Board of Directors of the Company have recommended to the shareholders for the issue and allotment of bonus shares in the ratio of 3 (three) equity shares for every 1 (One) equity share held by the equity shareholders of the Company, which has been subsequently approved in the extra-ordinary general meeting of the Company held on July 20, 2016.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXII - Restated Consolidated Capitalisation Statement
(All amounts in Million Rupees except for share data or as otherwise stated)

	Pre IPO as at March 31, 2016	As adjusted for IPO (Refer note 3 below)
Long term borrowings		
Non-Current portion (A)	4,606.28	-
Current maturities (B)	871.08	-
Total Long term borrowings (C = A + B)	5,477.36	-
Short term borrowings (D)	4,814.19	-
Total Debt (E = C + D)	10,291.55	-
Shareholder's fund		
Share capital	823.80	-
Reserve and surplus		
Capital Reserve	17.92	-
Securities Premium	4,070.93	-
Employee stock option	26.58	-
Surplus in the Statement of profit and loss	3,574.07	-
Foreign Currency Translation Reserve	4.89	-
Total shareholders' fund (F)	8,518.19	-
Debt / equity (E/F)	1.21	-
Long-term debt / equity (C/F)	0.64	-

Notes:

1. The figures disclosed above are based on the restated consolidated summary statements of the group and its associate.
2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
3. The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence, the same have not been provided in the above statement.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXIII - Restated Consolidated Statement of Dividend
(All amounts in Million Rupees except for share data or as otherwise stated)

Particulars	As at		
	March 31, 2016	March 31, 2015	March 31, 2014
A. Equity Shares:			
Number of Shares (numbers)	15,767,255	15,511,880	15,379,755
Face value per share (Rs.)	10	10	10
Rate of dividend (%)	20.00%	-	-
Dividend amount (in million)	31.53	-	-
Tax on dividend (in million)	6.42	-	-
B. Compulsorily Convertible Participatory Cumulative Preference shares - Series A:			
Number of Shares (numbers)	2,259,060	2,259,060	2,259,060
Face value per share (Rs.)	10	10	10
Rate of dividend (%)	20.00%	-	-
Dividend amount (in million)	4.52	-	-
Tax on dividend (in million)	0.92	-	-
C. Compulsorily Convertible Participatory Cumulative Preference shares - Series B:			
Number of Shares (numbers)	2,477,387	2,477,387	2,477,387
Face value per share (Rs.)	243	243	243
Rate of dividend (%)	0.83%	-	-
Dividend amount (in million)	4.98	-	-
Tax on dividend (in million)	1.01	-	-
D. Compulsorily Convertible Participatory Cumulative Preference shares - Series C:			
Number of Shares (numbers)	4,153,399	4,153,399	-
Face value per share (Rs.)	10	10	-
Rate of dividend (%)	20%	-	-
Dividend amount (in million)	8.31	-	-
Tax on dividend (in million)	1.70	-	-

Notes:

1. The figures disclosed above are based on the restated consolidated summary statements of the group and its associate.
2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
3. The Company at its board meeting held on April 29, 2016, proposed a final dividend for the financial year 2015-2016 @ Rs. 2/- per share.

Report of auditors on the restated unconsolidated summary statements of assets and liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012 and profits and losses and cash flows for the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012 of Laurus Labs Limited (formerly known as Laurus Labs Private Limited) (collectively the “Restated Unconsolidated Summary Statements”)

The Board of Directors,
Laurus Labs Limited (formerly known as Laurus Labs Private Limited),
2nd Floor, Serene Chambers,
Road No. 7, Banjara Hills,
Hyderabad – 500 034.

Dear Sirs,

1. We have examined the Restated Unconsolidated Summary Statements of Laurus Labs Limited (formerly known as Laurus Labs Private Limited) (the “Company”) as at March 31, 2016, 2015, 2014, 2013 and 2012 and for each of the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012, annexed to this report for the purpose of inclusion in the offer document, prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 10 each (“IPO”). The Restated Unconsolidated Summary Statements, which has been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
 - a) sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of The Companies Act, 2013 (the “Act”) read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the “SEBI Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such Restated Unconsolidated Summary Statements taking into consideration:
 - a) the terms of our engagement agreed with you vide our engagement letter dated May 25, 2016, requesting us to carry out work on such restated financial information, proposed to be included in the offer document of the Company in connection with the Company’s proposed IPO; and
 - b) the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an IPO which comprises of fresh issue of equity shares of Rs. 10 each as well as an offer for sale by certain shareholder’s equity shares of Rs.10 each, at such premium, arrived at by the book building process (referred to as the “Issue”), as may be decided by the Board of Directors of the Company.

Restated Unconsolidated Summary Statements as per audited financial statements:

4. The Restated Unconsolidated Summary Statements of the Company have been compiled by the management from the audited unconsolidated financial statements of the Company as at and for each of the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012, prepared in accordance with accounting principles generally accepted in India at the relevant time and which

have been approved by the Board of Directors on April 29, 2016, April 30, 2015, April 29, 2014, April 24, 2013 and June 21, 2012 respectively.

5. In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Act, read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and terms of our engagement agreed with you, we report that we have examined the restated unconsolidated summary statements as at and for the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012 as set out in Annexures I to III.
6. Based on our examination and the audited unconsolidated financial statements of the Company for the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012, as stated in paragraph 4 above, we report that:
 - a) The Restated Unconsolidated Summary Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV to this report;
 - b) The accounting policies as at and for the period ended March 31, 2016 are materially consistent with the policies adopted for the years ended March 31, 2015, 2014, 2013 and 2012. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
 - c) Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the Restated Unconsolidated Summary Statements;
 - d) There are no extraordinary items which need to be disclosed separately in the Restated Unconsolidated Summary Statements;
 - e) There are no qualifications in the auditors' reports on the audited unconsolidated financial statements of the Company as at and for the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012 which require any adjustments to the Restated Unconsolidated Summary Statements; and
 - f) Other audit qualifications included in the Annexure to the auditors' report issued under Companies ("Auditors Report") Order, 2016, 2015 and 2003, as applicable, on the unconsolidated financial statements for the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012, which do not require any corrective adjustment in the financial information, are as follows:

A. For the year ended March 31, 2016:

Clause (vii) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of deduction under Section 10A of the Income Tax Act, 1961.	10.10	7.05	AY 2008-09	Honorable High Court of Karnataka

The Income Tax Act, 1961	Disallowance of expenditure under the Income Tax Act, 1961.	Nil *	Nil	AY 2010-11, AY 2011-12	Commissioner of Income Tax (Appeals), Hyderabad

* The assessing officer has disallowed an amount of Rs. 35.06 million and Rs. 26.64 million for assessment year 2010-11 and assessment year 2011-12 respectively which will impact the reduction of loss for the relevant assessment years.

Clause (ix)

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that, monies raised by the Company by way of term loans were applied for the purpose for which the loans were obtained, though funds received near to year-end, which were not required for immediate utilization have been deposited in the Company's cash credit accounts. The maximum amount of idle funds deposited during the year was Rs. 813.00 million, of which Rs. 788.59 million was outstanding at the end of the year. Further, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments.

B. For the year ended March 31, 2015:

Clause (vii) (c)

According to the records of the company, the dues outstanding of income-tax , sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under dispute (Rs. in Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of deduction under section 10A of the Income Tax Act , 1961	10.10	7.05	AY 2008-09	Honorable High Court of Karnataka

C. For the year ended March 31, 2014:

Clause (ix) (c)

According to the records of the company, the dues outstanding of income-tax , sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under dispute (Rs. in Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of deduction under section 10A of the Income Tax Act , 1961	10.10	7.05	AY 2008-09	Honorable High Court of Karnataka

D. For the year ended March 31, 2013:

Clause (ix) (c)

According to the records of the company, the dues outstanding of income-tax , sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of deduction under section 10A of the Income Tax Act , 1961	10.10	7.05	AY 2008-09	Income Tax appellate Tribunal (ITAT Bangalore)

E. For the year ended March 31, 2012:

Clause (ix) (a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except for the advance tax (Income Tax) instalments which have not been deposited till date.

Clause (ix) (b)

According to the information and explanations given to us, undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, except in case of Income tax payable as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Due date	Date of payment
Income Tax act, 1961	Advance Income tax	2.50	April to June 2011	June 15, 2011	Not yet paid
		5.01	July to September 2011	September 15, 2011	Not yet paid

Clause (ix) (c)

According to the records of the company, the dues outstanding of the income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax act, 1961	Disallowance of deduction under section 10A of the Income Tax Act , 1961	10.10	5.05	AY 2008-09	Commissioner of Income tax(Appeals), Bangalore

Clause (xxi)

We have been informed that an unidentified person has committed a fraud of cheque forgery as stated in note 36 to the financial statements for an amount of Rs. 0.98 million during the year under audit. The Company has initiated legal action against such unidentified person by filing a First Information Report with the authorities and investigations are in progress. Pending completion of the same, the Company has treated the amount as recoverable.

[The note reference given above, is included as note 4(F) (i) in the Annexure IV to the Restated Unconsolidated Summary Statements.]

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2016. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2016.

Other Financial Information:

8. At the Company's request, we have also examined the following restated unconsolidated summary statements proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the each of the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012:
- Restated unconsolidated statement of Share Capital, enclosed as Annexure VI;
 - Restated unconsolidated statement of Reserves and Surplus, enclosed as Annexure VII;
 - Restated unconsolidated statement of Long-term Borrowings, enclosed as Annexure VIII;
 - Restated unconsolidated statement of Deferred Tax liability/(asset)(net), enclosed as Annexure IX;
 - Restated unconsolidated statement of other long-term liabilities, enclosed as Annexure X;
 - Restated unconsolidated statement of Provisions, enclosed as Annexure XI;
 - Restated unconsolidated statement of Short-term borrowings, enclosed as Annexure XII;
 - Restated unconsolidated statement of Trade Payables, enclosed as Annexure XIII;
 - Restated unconsolidated statement of Other Current Liabilities, enclosed as Annexure XIV;
 - Restated unconsolidated statement of Fixed Assets, enclosed as Annexure XV;
 - Restated unconsolidated statement of Non-Current investments, enclosed as Annexure XVI;
 - Restated unconsolidated statement of Loans and Advances, enclosed as Annexure XVII;
 - Restated unconsolidated statement of Other Assets, enclosed as Annexure XVIII;
 - Restated unconsolidated statement of Inventories, enclosed as Annexure XIX;
 - Restated unconsolidated statement of Trade Receivables, enclosed as Annexure XX;

- xvi. Restated unconsolidated statement of Cash and Bank Balances, enclosed as Annexure XXI;
 - xvii. Restated unconsolidated statement of Revenue from operations, enclosed as Annexure XXII;
 - xviii. Restated unconsolidated statement of Other Income, enclosed as Annexure XXIII;
 - xix. Restated unconsolidated statement of Cost of Materials Consumed, enclosed as Annexure XXIV;
 - xx. Restated unconsolidated statement of Increase in Inventories of Finished Goods and Work-In-Progress, enclosed as Annexure XXV;
 - xxi. Restated unconsolidated statement of Other Manufacturing Expenses, enclosed as Annexure XXVI;
 - xxii. Restated unconsolidated statement of Employee Benefit Expenses, enclosed as Annexure XXVII;
 - xxiii. Restated unconsolidated statement of Operating and Selling Expenses, enclosed as Annexure XXVIII;
 - xxiv. Restated unconsolidated statement of Finance Expenses, enclosed as Annexure XXIX;
 - xxv. Restated unconsolidated statement of Related Party Transactions, as appearing in Annexure XXX;
 - xxvi. Restated unconsolidated statement of Accounting Ratios, enclosed as Annexure XXXI;
 - xxvii. Restated unconsolidated Capitalisation Statement, as appearing in Annexure XXXII;
 - xxviii. Restated unconsolidated Tax Shelter Statement, enclosed as Annexure XXXIII;
 - xxix. Restated unconsolidated statement of Dividend, enclosed as Annexure XXXIV.
9. In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure V, and after making material adjustments and regroupings as considered appropriate and disclosed in Annexures IV, have been prepared in accordance with the relevant provisions of the Act and the SEBI Regulations.
10. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us nor should this report be construed as an opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Vikas Kumar Pansari
Partner
Membership Number: 093649

Place of Signature: Hyderabad
Date: August 16 ,2016

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure I: Restated Unconsolidated Summary Statement of Assets and Liabilities

(All amounts in Million Rupees except for share data or as otherwise stated)

		As at				
Annexures		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
EQUITY and LIABILITIES						
(1) Shareholders' Funds						
Share capital	VI	823.80	821.25	778.40	777.01	777.01
Reserves and surplus	VII	7,850.15	6,451.43	2,805.77	1,815.98	914.85
		8,673.95	7,272.68	3,584.17	2,592.99	1,691.86
(2) Non Current Liabilities						
Long Term Borrowings	VIIIA	4,606.28	3,036.77	1,881.72	687.03	363.37
Deferred Tax Liability (Net)	IX	447.76	102.67	118.18	-	-
Other Long Term Liabilities	X	441.56	446.58	-	-	41.81
Long Term Provisions	XIA	67.71	51.26	39.33	28.01	17.73
		5,563.31	3,637.28	2,039.23	715.04	422.91
(3) Current Liabilities						
Short Term Borrowings	XII	4,682.19	4,316.35	3,121.84	1,778.42	1,289.88
Trade Payables	XIII					
Outstanding dues to micro enterprises and small enterprises		5.22	2.73	5.11	0.57	-
Outstanding dues to creditors other than micro enterprises and small enterprises		2,519.63	2,298.01	2,269.40	1,321.84	968.35
Other Current Liabilities	XIV	1,443.17	1,331.44	1,641.16	569.01	718.75
Short Term Provisions	XIB	196.01	67.00	69.67	32.02	37.03
		8,846.22	8,015.53	7,107.18	3,701.86	3,014.01
TOTAL		23,083.48	18,925.49	12,730.58	7,009.89	5,128.78
ASSETS						
(4) Non Current Assets						
Fixed Assets						
Tangible Assets	XV	10,721.85	7,944.14	4,940.13	2,342.64	1,862.53
Intangible Assets	XV	63.88	61.15	46.78	12.89	2.87
Capital Work in Progress		696.00	1,072.54	1,160.99	727.81	321.15
Non Current Investments	XVI	261.24	191.11	4.55	-	-
Deferred Tax Assets (Net)	IX	-	-	-	118.20	97.00
Long Term Loans and Advances	XVIIA	1,276.80	930.14	683.90	303.46	69.64
Other Non Current Assets	XVIII A	90.44	139.62	145.24	78.22	77.16
		13,110.21	10,338.70	6,981.59	3,583.22	2,430.35
(5) Current Assets						
Inventories	XIX	4,870.93	4,754.96	3,280.97	1,561.90	986.32
Trade Receivables	XX	4,437.01	2,850.45	1,948.75	1,566.96	1,483.14
Cash and Bank Balances	XXI	238.83	555.64	230.41	136.17	93.24
Short Term Loans and Advances	XVIIIB	294.25	309.36	252.46	124.18	78.17
Other Current Assets	XVIII B	132.25	116.38	36.40	37.46	57.56
		9,973.27	8,586.79	5,748.99	3,426.67	2,698.43
TOTAL		23,083.48	18,925.49	12,730.58	7,009.89	5,128.78

Note:

The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/ E300004

For and on behalf of the Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner
Membership No. 093649

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

Place: Hyderabad
Date:

Place: Hyderabad
Date:

G. Venkateswar Reddy
Company Secretary

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure II: Restated Unconsolidated Summary Statement of Profits and Losses

(All amounts in Million Rupees except for share data or as otherwise stated)

	Annexures	For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(A) INCOME						
Revenue from Operations (Gross)	XXII	18,142.44	13,376.47	11,656.86	7,225.42	4,540.95
Less: Excise Duty		334.08	113.34	59.69	40.31	33.77
Revenue from Operations (Net)		17,808.36	13,263.13	11,597.17	7,185.11	4,507.18
Other Income	XXIII	75.79	340.67	88.17	50.56	15.89
Total Revenue (A)		17,884.15	13,603.80	11,685.34	7,235.67	4,523.07
(B) EXPENSES						
Cost of Materials Consumed	XXIV	10,145.06	9,066.23	7,882.88	4,431.32	2,714.78
Purchase of Traded Goods		149.50	61.85	79.01	23.24	40.77
Increase in Inventories of Finished Goods and Work-in-Progress	XXV	(250.78)	(844.53)	(702.93)	(331.94)	(101.32)
Other Manufacturing Expenses	XXVI	1,690.29	1,232.24	776.61	536.65	265.40
Employee Benefits Expenses	XXVII	1,712.18	1,294.70	1,041.15	763.53	596.98
Operating and Selling Expenses	XXVIII	541.89	399.25	431.80	313.98	212.10
Total Expenses (B)		13,988.14	11,209.74	9,508.52	5,736.78	3,728.71
(C) Restated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (A-B)		3,896.01	2,394.06	2,176.82	1,498.89	794.36
Depreciation and Amortisation		915.67	612.83	328.80	226.28	182.70
Finance Expenses	XXIX	1,199.57	1,061.57	639.47	411.62	395.89
(D) Restated Profit Before Tax		1,780.77	719.66	1,208.55	860.99	215.77
(E) Tax Expense						
Current Tax		380.64	152.25	262.44	170.24	20.45
Minimum Alternate Tax credit entitlement		(380.64)	(152.25)	(262.44)	(170.24)	(20.45)
Deferred Tax Charge /(Credit)		345.09	(15.51)	236.38	(21.20)	-
Total Tax Expense /(Credit)		345.09	(15.51)	236.38	(21.20)	-
(F) Restated Profit for the year		1,435.68	735.17	972.17	882.19	215.77

Note:

The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

For and on behalf of the Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner
Membership No. 093649

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

Place: Hyderabad
Date:

Place: Hyderabad
Date:

G. Venkateswar Reddy
Company Secretary

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure III: Restated Unconsolidated Summary Statement Of Cash Flows

(All amounts in Million Rupees except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Cash Flow From Operating Activities					
Profit Before Tax	1,780.77	719.66	1,208.55	860.99	215.77
Adjustments for :					
Depreciation and amortisation	915.67	612.83	328.80	226.28	182.70
Loss / (profit) on sale of fixed assets (net)	2.98	(0.16)	1.35	2.33	1.02
Interest income	(23.60)	(21.65)	(34.89)	(12.71)	(7.78)
Interest expense	1,037.49	862.43	514.56	340.65	364.90
Employee stock option charge	22.43	9.10	17.62	18.94	10.35
Net loss / (gain) on foreign exchange fluctuations (unrealised)	55.05	(116.81)	(52.36)	(12.68)	(5.04)
Liabilities no longer required written back	-	(16.45)	-	(3.82)	-
Advances and bad debts written off	18.86	0.99	3.29	30.79	-
Provision for / (reversal of) doubtful advance and receivables	(5.32)	0.76	2.36	1.49	0.13
Provision for diminution in value of investments	-	4.55	-	-	-
Provision for insurance claim receivable	-	0.73	29.12	-	-
Gratuity and compensated absences	38.45	25.76	20.77	18.98	12.53
Operating Profit Before Working Capital Changes	3,842.78	2,081.74	2,039.17	1,471.24	774.58
Movement In Working Capital:					
Increase in inventories	(115.96)	(1,473.99)	(1,719.07)	(575.58)	(230.09)
Increase in trade receivables	(1,600.30)	(897.21)	(392.96)	(111.11)	(204.09)
Increase in long term loans and advances	(8.26)	(35.69)	(4.98)	(8.72)	(2.78)
(Increase) / Decrease in short term loans and advances	12.83	(57.40)	(130.32)	(45.93)	(12.42)
(Increase) / Decrease in other non current assets	(24.47)	(26.74)	19.44	(5.61)	(15.36)
(Increase) / Decrease in other current assets	(14.01)	(76.71)	(32.07)	24.57	(48.38)
Increase / (Decrease) in other long term liabilities	(55.20)	548.52	-	(41.81)	41.81
Increase in trade payables	249.24	90.04	1,002.63	364.04	78.03
Increase / (Decrease) in other current liabilities	131.12	(573.00)	664.67	(4.61)	10.19
Cash Generated From Operations	2,417.77	(420.44)	1,446.51	1,066.48	391.49
Direct taxes paid	(333.02)	(168.18)	(234.24)	(184.40)	(3.26)
Net Cash Flow from / (used in) Operating Activities (A)	2,084.75	(588.62)	1,212.27	882.08	388.23
Cash Flow Used In Investing Activities					
Purchase of tangible assets, including intangible assets, capital work in progress and capital advances	(3,323.51)	(3,802.24)	(3,090.85)	(1,186.72)	(443.18)
Proceeds from sale of fixed assets	5.68	9.70	32.67	0.53	0.79
Proceeds from / (Investments in) bank deposits	112.46	(76.12)	(56.92)	(57.09)	(15.06)
Purchase of investment	(70.13)	(191.11)	(4.55)	-	-
Net Cash Flow Used In Investing Activities (B)	(3,275.50)	(4,059.77)	(3,119.65)	(1,243.28)	(457.45)
Cash Flow From Financing Activities					
Proceeds from issue of equity shares	2.55	1.32	1.39	-	2.00
Proceeds from Issue of CCPCPS-Series C Preference Shares	-	2,942.90	-	-	591.49
(Net of share issue expenses of Rs. Nil (March 31, 2015: Rs. 57.10, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil, March 31, 2012: Rs. 10.52)					
Repayment of long - term borrowings	(1,341.31)	(1,187.74)	(434.12)	(605.98)	(477.55)
Proceeds from long - term borrowings	2,898.24	2,748.09	1,576.27	785.26	49.78
Proceeds from short - term borrowings (net)	363.45	1,184.60	1,360.85	489.98	304.37
Interest received	27.19	13.33	38.10	10.19	1.73
Interest paid	(1,031.91)	(841.69)	(512.14)	(335.00)	(363.26)
Net Cash Flow From Financing Activities (C)	918.21	4,860.81	2,030.35	344.45	108.56
Net increase in cash and cash equivalents (A+B+C)	(272.54)	212.42	122.97	(16.75)	39.34
Cash and Cash Equivalents at the beginning of the year	362.08	149.66	26.69	43.44	4.10
Cash and Cash Equivalents at the end of the year	89.54	362.08	149.66	26.69	43.44
Notes:					
Components of Cash and Cash Equivalents:					
Cash on hand	2.30	2.29	0.62	1.81	1.24
Balances with banks					
On current accounts	86.75	209.79	149.04	24.88	42.20
Deposits with original maturity of less than three months	0.49	150.00	-	-	-
Total Cash and Cash Equivalents	89.54	362.08	149.66	26.69	43.44

Note:
The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

For and on behalf of the Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner
Membership No. 093649

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

Place: Hyderabad
Date:

Place: Hyderabad
Date:

G. Venkateswar Reddy
Company Secretary

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure IV : Notes on material adjustments and regroupings to Restated Unconsolidated Summary Statements
(All amounts in Million Rupees except for share data or as otherwise stated)

1) Notes on material adjustments

a) The summary of results of restatements made to the audited financial statements for the respective years and its impact on the profits of the Company is as follows:

Particulars		For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A) Net profit for the year as per audited financial statements	(A)	1416.16	735.65	991.21	882.19	215.77
B) Restated Adjustments:						
I) Add/(less): Provision for insurance claim receivable		(29.85)	0.73	29.12	-	-
II) Add/(less): Provision for income taxes		25.04	(14.33)	14.33	(2.32)	(22.72)
III) Add/(less): Minimum Alternate Tax (MAT) credit entitlement adjustment		(25.04)	14.33	(14.33)	2.32	22.72
IV) Add/(less): Deferred tax impact on adjustments		10.33	(0.25)	(10.08)	-	-
	(B)	(19.52)	0.48	19.04	-	-
C) Restated profit	(A - B)	1,435.68	735.17	972.17	882.19	215.77

Note:

a) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and V.

b) Restated adjustments:

I) Provision for insurance claim receivable

During the year ended March 31, 2016, the Company has made a provision for insurance claim receivable which was recognised in the earlier years. For the purpose of the above statement, such amounts have been appropriately adjusted to the respective years to which they relate.

II) Provision for income taxes

The statement of profit and loss for certain financial years include amounts provided for or written back, in respect of current tax arising upon filing of tax returns, assessments, etc. which have now been adjusted to the respective years to which they relate.

III) MAT credit entitlement adjustment

The statement of profit and loss for certain financial years include MAT credit entitlement, in respect of current tax arising upon filing of tax returns, assessments, etc. which have now been adjusted to the respective years to which they relate.

IV) Deferred tax impact on adjustments

Deferred tax has been computed on adjustments made as detailed above and have been adjusted to the respective years to which they relate.

2a) Change in the estimated useful lives of the fixed assets

During the year ended March 31, 2015, the management has re-estimated useful lives and residual values of all its tangible assets which has resulted in additional charge of depreciation amounting to Rs. 59.56 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made to the restated unconsolidated summary statements of the Company.

2b) Depreciation on assets costing less than Rs. 5,000

Till the year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on the assets costing less than Rs. 5,000 in the year of purchase. However, Schedule II to the Companies Act, 2013 which is applicable from April 01, 2014, does not recognize such practices. Hence to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciation of assets costing less than Rs. 5,000. As per revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000, did not have any material impact on restated unconsolidated summary statements of the Company.

2c) Change in method of valuation of stores & spares

During the year ended March 31, 2014, the Company has implemented the Enterprise Resource Planning on SAP Application. Accordingly, the Company has changed its method of valuation of Inventory of Stores & Spares from the earlier method i.e. First In First Out Basis (FIFO) to transaction moving weighted average method. This change, however, does not have any material impact on restated unconsolidated summary statements of the Company.

3) Material regrouping

Appropriate adjustments have been made in the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profit and Losses and Cash Flows, 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 financials of the Company as at and for the year ended March 31, 2016, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure IV : Notes on material adjustments and regroupings to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

4) Other audit qualifications included in the Annexure to the Auditor's report on Companies (Auditor's Report) Order, 2016/2015/2003 (as amended), as the case may be, for the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012 which do not require any corrective adjustment in the financial information, are as follows:

A) Annexure to auditor's report for the financial year ended March 31, 2016:

Clause (vii) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of deduction under Section 10A of the Income Tax Act, 1961.	10.10	7.05	AY 2008-09	Honorable High Court of Karnataka
The Income Tax Act, 1961	Disallowance of expenditure under the Income Tax Act, 1961.	Nil *	Nil	AY 2010-11, AY 2011-12	Commissioner of Income Tax (Appeals), Hyderabad

* The assessing officer has disallowed an amount of Rs. 35.06 million and Rs. 26.64 million for assessment year 2010-11 and assessment year 2011-12 respectively which will impact the reduction of loss for the relevant assessment years.

Clause (ix)

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that, monies raised by the Company by way of term loans were applied for the purpose for which the loans were obtained, though funds received near to year-end, which were not required for immediate utilization have been deposited in the Company's cash credit accounts. The maximum amount of idle funds deposited during the year was Rs. 813.00 million, of which Rs. 788.59 million was outstanding at the end of the year. Further, the Company has not raised any money by way of initial public offer / further public offer / debt instruments.

B) Annexure to auditor's report for the financial year ended March 31, 2015:

Clause (vi) (c)

According to the records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of deduction under Section 10A of the Income Tax Act, 1961.	10.10	7.05	AY 2008-09	Honorable High Court of Karnataka

C) Annexure to auditor's report for the financial year ended March 31, 2014:

Clause (ix) (c)

According to the records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of deduction under Section 10A of the Income Tax Act, 1961.	10.10	7.05	AY 2008-09	Honorable High Court of Karnataka

D) Annexure to auditor's report for the financial year ended March 31, 2013:

Clause (ix) (c)

According to the records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of deduction under Section 10A of the Income Tax Act, 1961.	10.10	7.05	AY 2008-09	Income Tax appellate Tribunal (ITAT Bangalore)

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure IV : Notes on material adjustments and regroupings to Restated Unconsolidated Summary Statements
(All amounts in Million Rupees except for share data or as otherwise stated)

E) Annexure to auditor's report for the financial year ended March 31, 2012:

Clause (ix) (a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except for the advance tax (Income Tax) instalments which has not been deposited till date.

Clause (ix) (b)

According to the information and explanations given to us, undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, except in case of Income tax payable as follows:

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Due date	Date of payment
Income Tax act, 1961	Advance Income tax	2.50	April to June 2011	June 15, 2011	Not yet paid
		5.01	July to September 2011	September 15, 2011	Not yet paid

Clause (ix) (c)

According to the records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under dispute (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of deduction under Section 10A of the Income Tax Act, 1961.	10.10	7.05	AY 2008-09	Commissioner of Income tax (Appeals), Bangalore

Clause (xxi)

We have been informed that an unidentified person has committed a fraud of cheque forgery as stated in note 36 to the financial statements for an amount of Rs. 0.98 million during the year under audit. The Company has initiated legal action against such unidentified person by filing a First Information Report with the authorities and investigations are in progress. Pending completion of the same, the Company has treated the amount as recoverable.

[The note reference given above is included as note F(i) in the Annexure IV to the Restated Unconsolidated Summary Statements.]

F) Other Notes:

(i) During the current year, the Company has noticed certain wrong debits in one of its bank accounts and informed the same to the Bank. Upon examination, it is revealed that there were fabrication and forgery of cheques by an unidentified person, which has resulted into withdrawal of funds aggregating to Rs. 0.98 million. The aforesaid cheques were not issued by the Company and the original cheques are physically available with the Company. The Company has initiated criminal proceedings by registering FIR against the unidentified person and the Bank has also initiated its investigation in this regard. Based on the discussions with the Bank, the Company is confident of receipt of the aforesaid amount.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

1. Corporate Information

Laurus Labs Limited (formerly known as Laurus Labs Private Limited) ("the Company") was incorporated as "Laurus Labs Private Limited" on September 19, 2005, at Hyderabad, Andhra Pradesh as a private limited company under the Companies Act, 1956. The Company was converted into a public limited company pursuant to approval of the shareholders in an extraordinary general meeting held on August 11, 2016 and consequently, the name of the Company was changed to "Laurus Labs Limited" and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Hyderabad on August 16, 2016.

The Company offers a broad and integrated portfolio of Active Pharma Ingredients (API) including intermediates, Generic Finished dosage forms (FDF) and Contract Research services to cater to the needs of the global pharmaceutical industry. The Company is equipped with API manufacturing facilities situated in Jawaharlal Nehru Pharma City at Visakhapatnam, FDF Drug manufacturing facility situated in Achyutapuram at Visakhapatnam and a Research and Development Centre situated in IKP Knowledge Park at Hyderabad.

2. Basis of preparation

The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the related Restated Unconsolidated Summary Statement of Profits and Losses and Cash Flows for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and annexures thereto (herein collectively referred to as 'Restated Unconsolidated Summary Statements') have been compiled by the management from the then audited unconsolidated financial statements of the Company for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

The audited unconsolidated financial statements of the Company were prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Company has prepared the audited unconsolidated financial statements to comply in all material respects with the applicable accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The audited unconsolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used for the purpose of preparation of audited unconsolidated financial statements as at and for the year ended March 31, 2016, except for changes in accounting policies detailed in 3(c) (ii) & 3(i) (i) in significant accounting policies.

The Restated Unconsolidated Summary Statements have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013, as amended read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Regulations") issued by SEBI on August 26, 2009 as amended from time to time.

3. Summary of significant accounting policies

a. Use of Estimates

The preparation of Restated Unconsolidated Summary Statements in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

b. Tangible Fixed Assets

Tangible Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

c. Depreciation on tangible Fixed Assets

(i) Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the Restated Unconsolidated Summary Statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Had the Company continued to use the earlier estimated useful life of fixed assets for providing depreciation, the charge to Statement of profit and loss for the current year would have been lower by Rs. 59.56 and the net block of fixed assets and profit before tax would have been higher by Rs. 59.56.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

(ii) Depreciation on assets costing Rs. 5,000/- or less

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognise such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the Company for the current year.

(iii) Land acquired on lease is amortised over the period of lease (ranging from 33 - 51 years).

(iv) Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

	Useful lives estimated by the management (years)		Useful lives as stated in the Act (years)	
	from April 1, 2014 onwards	from April 1, 2011 to March 31, 2014	from April 1, 2014 onwards	from April 1, 2011 to March 31, 2014
Factory buildings	30	30	30	30
Other buildings	60	30	60	30
Plant and Equipment	5-20	10	5-20	10-21
Furniture and fixtures	10	10	10	16
Vehicles	5	5	8	11
Computers	3-6	5	3-6	6

d. Intangible Assets

Computer Software

i. Costs relating to software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of five years.

ii. Expenditure incurred on development of internally generated assets such as software from which future economic benefits will flow over a period of time is amortised over the estimated useful life or 5 years on a straight line basis, whichever is earlier.

Goodwill

Goodwill is amortised using the straight-line method over a period of five years.

e. Leases

Where the Company is a Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss.

f. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

g. Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

h. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long-term investments are carried at cost. Provision is made for diminution in value to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

i. Inventories

(i) During the year ended March 31, 2014, the Company has implemented the Enterprise Resource Planning on SAP Application. Accordingly, the Company has changed its method of valuation of Inventory of Stores & Spares from the earlier method i.e. First In First Out Basis (FIFO) to transaction moving weighted average method. This change, however, does not have any material impact on the profits of the Company.

(ii) Raw materials and packing materials are valued at lower of cost and net realisable value. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and packing materials is determined on a weighted average basis.

(iii) Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads. Cost of finished goods is determined on a weighted average basis.

(iv) Traded goods are valued at the lower of cost and net realisable value.

(v) Stores and spares are valued at the lower of cost and net realisable value. Cost of stores and spares is determined on a weighted average basis.

(vi) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Products

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and acceptance by the buyer and any the additional amount is recognised based on the terms of the agreement entered into with customers, in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. They are, therefore, excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Sale of Services

Revenue from contract research operations is recognised in accordance with the terms of the relevant contracts with customers and when the agreed milestones are achieved, which are substantiated by the performance of related service work.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend Income

Dividend income is recognised when the Company's right to receive the dividend is established by the reporting date.

k. Foreign currency translation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous Restated Unconsolidated Summary Statements, are recognised as income or as expenses in the year in which they arise.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year.

l. Retirement and other employee benefits

Retirement benefits in the form of provident fund contribution and superannuation are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when an employee renders the related service. The Company has no obligation, other than the contributions payable to the funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

m. Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, the entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Company reassesses unrecognised deferred tax assets and accounts for unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n. Employee stock options

Measurement and disclosure of the employee stock options are made in accordance with the Guidance Note on Accounting for Employee Share Based Payments Plans, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expenses, if any, is amortised over the vesting period of the options on a straight line basis.

o. Segment Reporting Policies

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operations of the Company are carried out and location of its customers.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins. Inter segment profit/ charge is eliminated on combination of segmental results for the preparation of the accounts of the Company as a whole.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

The unallocated items include general corporate income and expense items which are not allocable to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Restated Unconsolidated Summary Statements of the Company as a whole.

p. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Provisions

A provision is recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate of the amount required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

r. Deferred Revenue expenditure/Unamortised expenditure

Costs incurred in raising funds are amortised equally over the period for which the borrowings are undertaken.

s. Contingent Liabilities

A contingent liability is a possible obligation that may arise as a result of past events whose existence may be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Restated Unconsolidated Summary Statements.

t. Cash and Cash equivalents

Cash and cash equivalents for the purpose of Restated Unconsolidated Summary Statement of Cash Flows comprise cash at bank and in hand and short term investment with an original maturity period of three months or less.

u. Research and development

Revenue expenditure on research and development is charged to revenue in the year in which it is incurred. Capital expenditure on research and development is added to fixed assets and depreciated in accordance with the policies of the Company.

v. Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of restated unconsolidated summary statement of profits and losses. The Company measures EBITDA on the basis of profits/ (losses) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance expenses and tax expense.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

4. Gratuity Disclosure

Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The Scheme is funded through a policy with SBI Life Insurance Company Limited. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Profit and Loss account					
i. Net employee benefit expense (recognised in Employee benefits expenses)					
Current service cost	6.67	5.18	4.05	2.85	2.48
Interest cost	4.55	3.49	2.54	1.63	0.90
Expected return on plan assets	(0.05)	(0.10)	(0.25)	-	(0.04)
Net actuarial(gain) / loss recognised in the year	12.32	7.41	6.40	10.45	6.52
Net employee benefit expenses	23.49	15.98	12.74	14.93	9.86
Actual return on plan asset	(0.05)	(0.10)	(0.25)	-	(0.04)
Amount recognised in the Balance Sheet					
Defined benefit obligation	74.90	56.87	43.68	33.34	20.37
Fair value of plan assets	0.49	1.45	1.25	1.79	0.93
	74.41	55.42	42.43	31.55	19.44
Changes in the present value of the defined benefit obligation					
Opening defined benefit obligation	56.87	43.68	33.34	20.37	11.29
Current service cost	6.67	5.18	4.05	2.85	2.48
Interest cost	4.55	3.49	2.54	1.63	0.90
Benefits paid	(5.51)	(2.89)	(0.96)	(1.96)	(0.82)
Transfer on account of slump sale	-	-	(1.69)	-	-
Actuarial (gains) / losses on obligation	12.32	7.41	6.40	10.45	6.52
Closing defined benefit obligation	74.90	56.87	43.68	33.34	20.37
Change in the fair value of plan assets					
Opening fair value of plan assets	1.45	1.25	1.79	0.93	-
Expected return on plan assets	0.05	0.10	0.25	-	0.04
Contributions	4.50	2.99	-	2.00	1.00
Benefits paid	(5.51)	(2.89)	(0.79)	(1.14)	(0.11)
Actuarial gain / (loss) on plan assets	-	-	-	-	-
Closing fair value of plan assets	0.49	1.45	1.25	1.79	0.93

The Company expects to contribute Rs 7.50 to the gratuity fund in the year 2016-17 (March 31, 2015: Rs. 5.00, March 31, 2014: Rs. 5.00, March 31, 2013: Rs. 5.00 and March 31, 2012: Rs. 5.00) against the short term liability of Rs. 6.70 (March 31, 2015: Rs. 4.16, March 31, 2014: Rs. 3.10, March 31, 2013: Rs. 3.54 and March 31, 2012: Rs. 1.71) as per the actuarial valuation.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Investments with insurer	100.00%	100.00%	100.00%	100.00%	100.00%

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Discount rate	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on assets	8.50%	8.50%	8.50%	8.50%	8.50%
Salary rise	16.00%	15.00%	15.00%	15.00%	15.00%
Attrition Rate					
Pharmaceuticals	12.00%	12.00%	12.00%	12.00%	12.00%
Infosystems	-	-	15.00%	15.00%	16.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Defined Contribution Plan

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Contribution to Provident Fund	60.54	50.41	40.18	29.23	24.53
Contribution to Superannuation Fund	7.18	6.44	3.87	4.22	3.86

Amounts for the current and previous four periods are as follows:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	74.90	56.87	43.68	33.34	20.37
Plan assets	0.49	1.45	1.25	1.79	0.93
Surplus / (deficit)	74.41	55.42	42.43	31.55	19.44
Experience adjustments on plan liabilities	5.29	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

5. Employees stock option scheme (ESOP 2011 Plan)

The board of directors has approved the Laurus Employees Stock Option Scheme(ESOP) 2011 for issue of shares to eligible employees of the Company effective from September 19, 2011. According to the Scheme, the options granted vest within a period of four years, subject to the terms and conditions specified in the scheme.

Exercise period				
Grant	Number of options	Year 1 25%	Year 2 25%	Year 3 50%
Grant I	553,000	20-Sep-13	20-Sep-14	20-Sep-15
Grant II	28,000	19-Sep-14	19-Sep-15	19-Sep-16
Grant III	38,500	19-Sep-15	19-Sep-16	19-Sep-17
Grant IV	75,500	19-Sep-16	19-Sep-17	19-Sep-18
Grant V	177,188	19-Sep-17	19-Sep-18	19-Sep-19

Date of Grant	Number of options Granted	Exercise price	Fair value for option at grant date
September 19, 2011	553,000	10.00	105.96
December 31, 2012	28,000	10.00	163.94
September 19, 2013	38,500	10.00	175.94
September 19, 2014	75,500	10.00	262.84
September 19, 2015	177,188	10.00	525.65

The details of activity under the Scheme ESOP 2011 are summarised below :

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	No. of options	No. of options	No. of options	No. of options	No. of options
Outstanding at the beginning of the year	377,000	453,375	564,000	553,000	-
Granted during the year	177,188	75,500	38,500	28,000	553,000
Forfeited during the year	38,500	19,750	10,000	17,000	-
Exercised during the year	255,375	132,125	139,125	-	-
Outstanding at the end of the year	260,313	377,000	453,375	564,000	553,000
Exercisable at the end of the year	-	10,500	5,000	-	-

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
For options exercised during the period, Weighted average share price at the exercise date:	385.64	267.91	187.86	-	-
Weighted average remaining contractual life for the stock options outstanding as at	4.00	2.24	2.69	3.53	4.48
Range of exercise prices for options outstanding at the end of the year	10	10	10	10	10
Weighted average fair value of stock options granted during the year	525.65	262.84	175.94	163.94	105.96

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	As at March 31, 2016				
	Grant V	Grant IV	Grant III	Grant II	Grant I
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	7.71%	8.56%	8.47%	0.08	8.34%
Weighted average share price of Rs.	533.00	269.97	183.10	171.22	113.15
Exercise price of Rs.	10.00	10.00	10.00	10.00	10.00
Expected life of options granted in years	3.51	3.50	3.50	3.50	3.51

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure V: Notes to Restated Unconsolidated Summary Statements
(All amounts in Million Rupees except for share data or as otherwise stated)

6. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	5.22	2.73	5.11	0.57	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-	-	-

7. Earnings per share (EPS):

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
The following reflects the profit and share data used in the basic and diluted EPS					
Restated profit after tax	1,435.68	735.17	972.17	882.19	215.77
Less: Preference dividend and tax thereon	(21.41)	(0.01)	(0.01)	(0.01)	0.00
Restated profit available for equity shareholders	1,414.27	735.16	972.16	882.18	215.77
Weighted Average number of Equity Shares outstanding during the year	15,644,494	15,444,500	15,296,107	15,240,630	11,091,308
Add: Effect of dilution					
Convertible preference shares / warrants	8,889,846	6,488,840	4,736,447	4,736,447	10,948,996
Stock options granted under ESOP	64,068	240,767	253,546	343,635	331,720
Weighted Average number of Equity Shares in computing diluted earnings per	24,598,408	22,174,107	20,286,100	20,320,712	22,372,023
Face value of each Equity Share (Rs.)	10	10	10	10	10
Earnings per share prior to bonus issue					
- Basic (Rs.)	90.40	47.60	63.56	57.88	19.45
- Diluted (Rs.)	58.36	33.15	47.92	43.41	9.64
Earnings per share post bonus issue (refer note 7 of Annexure XXXI)					
- Basic (Rs.)	22.60	11.90	15.89	14.47	4.86
- Diluted (Rs.)	14.59	8.29	11.98	10.85	2.41

8. Research and development

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Revenue Expenditure	796.15	497.95	389.89	332.54	261.20
Capital Expenditure	110.37	88.54	34.51	32.96	13.17

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

9. Forward Contracts

a) Forward contract outstanding as at Balance Sheet date

March 31, 2016 Buy US \$ 12,918,777	Hedging of loan and creditors
March 31, 2015 Buy US \$ 35,361,430	Hedging of loan and creditors
March 31, 2014 Buy US \$ 20,088,500	Hedging of loan and creditors
March 31, 2013 Buy US \$ 6,937,000	Hedging of loan
March 31, 2012 Buy US \$ 900,700	Hedging of loan

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Details of Unhedged Foreign Currency Exposure

	Currency	March 31, 2016			March 31, 2015			March 31, 2014			March 31, 2013			March 31, 2012		
		Amount in Foreign Currency	Amount in Rs.	Conversion Rate	Amount in Foreign Currency	Amount in Rs.	Conversion Rate	Amount in Foreign Currency	Amount in Rs.	Conversion Rate	Amount in Foreign Currency	Amount in Rs.	Conversion Rate	Amount in Foreign Currency	Amount in Rs.	Conversion Rate
Secured loans	USD	3,455,240	229.20	66.33	9,677,039	605.69	62.59	7,193,343	432.32	60.10	7,825,290	425.61	54.39	9,024,618	461.70	51.16
Unsecured loans	USD	16,000,000	1,061.33	66.33	-	-	-	-	-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings	USD	41,053	2.72	66.33	12,715	0.80	62.59	-	-	-	-	-	-	-	-	-
Trade payables	USD	22,418,399	1,487.08	66.33	14,276,948	893.61	62.59	8,267,554	496.88	60.10	13,314,782	724.19	54.39	11,099,298	567.81	51.16
	EURO	537,808	40.39	75.10	197,321	13.32	67.51	264,931	21.88	82.58	631	0.04	69.54	27,362	1.87	68.34
	GBP	9,982	0.95	95.09	1,200	0.11	92.46	7,730	0.77	99.85	4,111	0.34	82.32	13,488	1.10	81.80
	CHF	-	-	-	-	-	-	22,650	1.53	67.36	-	-	-	-	-	-
	YEN	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	0.62	0.62
Capital creditors	USD	-	-	-	250	0.02	62.59	6,378	0.38	60.10	13,556	0.74	54.39	14,085	0.72	51.16
	GBP	-	-	-	6,136	0.57	92.46	14,355	1.43	99.85	3,364	0.28	82.32	11,456	0.94	81.80
	EURO	-	-	-	-	-	-	-	-	-	-	-	-	25,544	1.75	68.34
	CHF	2,147	0.15	68.54	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	USD	11,187,721	742.11	66.33	9,617,995	602.00	62.59	5,828,970	350.32	60.10	7,071,049	384.59	54.39	14,384,192	735.90	51.16
	EURO	816,892	61.34	75.10	1,672,162	112.89	67.51	345,219	28.51	82.58	384,327	26.73	69.54	180,327	12.32	68.34
	GBP	-	-	-	-	-	-	-	-	-	30,498	2.51	82.32	23,426	1.92	81.80
Cash & Bank	USD	1,240,991	82.32	66.33	1,724,426	107.93	62.59	2,058,537	123.72	60.10	1,341	0.07	54.39	13,701	0.70	51.16
	EURO	-	-	-	-	-	-	-	-	-	-	-	-	40	0.00*	68.34
Advance received from customers	USD	1,728,828	114.68	66.33	49,844	3.12	62.59	10,422,927	626.42	60.10	-	-	-	1,067,800	54.62	51.16
	EURO	6,615,000	496.76	75.10	7,350,000	496.20	67.51	-	-	-	78,300	5.45	69.54	-	-	-
Advances recoverable in cash or kind	USD	172,619	11.45	66.33	349,592	21.88	62.59	772,094	46.40	60.10	53,845	2.93	54.39	145,121	7.42	51.16
	EURO	176,845	13.28	75.10	238,987	16.13	67.51	1,072,181	88.54	82.58	963	0.07	69.54	4,382	0.30	68.34
	GBP	13,750	1.31	95.09	21,043	1.95	92.46	505	0.05	99.85	-	-	-	10,000	0.82	81.80
	CHF	-	-	-	6,313	0.41	64.83	5,800	0.39	67.36	1,700	0.10	57.14	-	-	-
	CNY	-	-	-	4,120	0.04	10.20	3,702	0.04	9.69	-	-	-	-	-	-
	DKK	-	-	-	-	-	-	4,900	0.06	11.23	-	-	-	-	-	-
	JPY	-	-	-	505,000	0.26	0.52	133,000	0.08	0.59	-	-	-	-	-	-
	MYR	-	-	-	-	-	-	300	0.01	19.22	-	-	-	-	-	-
	ZAR	-	-	-	330	0.00*	5.17	780	0.00*	5.65	-	-	-	-	-	-
	HKD	-	-	-	90	0.00*	8.06	-	-	-	-	-	-	-	-	-

* Amount less than Indian Rupees 10,000

10. Segment Reporting

A. (i) Information about Primary segments (by business segment)

The Company has considered business segments as the primary segment for disclosure. The reportable business segments are as under:

- a) Pharmaceuticals: Income from sale of API and Contract Research Services.
- b) Infosystems: Income from Services rendering for maintenance and up gradation of Clinicopia Suite software.

Business Segment

Particulars	Pharmaceuticals			Infosystems			Eliminations			Total		
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2014	March 31, 2013	March 31, 2012
REVENUE												
External sales	11,480.03	7,064.86	4,404.96	117.14	120.25	102.22	-	-	-	11,597.17	7,185.11	4,507.18
Other Incomes	16.06	8.26	8.11	-	-	0.00	-	-	-	16.06	8.26	8.11
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	11,496.09	7,073.12	4,413.07	117.14	120.25	102.22	-	-	-	11,613.23	7,193.37	4,515.29
RESULT												
Segment result	1,800.01	1,256.13	603.54	2.19	5.07	12.30	-	-	-	1,802.20	1,261.20	615.84
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	113.98	72.27	42.95
Operating profit	1,800.01	1,256.13	603.54	2.19	5.07	12.30	-	-	-	1,688.22	1,188.93	572.89
Interest expense	-	-	-	-	-	-	-	-	-	514.56	340.65	364.90
Interest income	-	-	-	-	-	-	-	-	-	34.89	12.71	7.78
Income tax expense / (credit)	-	-	-	-	-	-	-	-	-	236.38	(21.20)	-
Restated profit	-	-	-	-	-	-	-	-	-	972.17	882.19	215.77

Particulars	Pharmaceuticals			Infosystems			Eliminations			Total		
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2014	March 31, 2013	March 31, 2012
OTHER INFORMATION												
Segment assets	12,066.74	6,379.43	4,767.21	-	141.35	133.16	-	-	-	12,066.74	6,520.78	4,900.37
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	663.84	489.11	228.41
Total assets	12,066.74	6,379.43	4,767.21	-	141.35	133.16	-	-	-	12,730.58	7,009.89	5,128.78
Segment liabilities	3,512.26	1,449.06	1,148.12	-	8.93	5.76	-	-	-	3,512.26	1,457.99	1,153.88
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	5,634.15	2,958.91	2,283.04
Total liabilities	3,512.26	1,449.06	1,148.12	-	8.93	5.76	-	-	-	9,146.41	4,416.90	3,436.92
Capital expenditure	3,075.01	1,170.46	441.62	15.84	16.26	1.56	-	-	-	3,090.85	1,186.72	443.18
Depreciation & Amortisation	323.44	222.97	180.41	5.36	3.31	2.29	-	-	-	328.80	226.28	182.70
Other non-cash expenses	29.30	50.34	12.23	(2.89)	0.92	0.43	-	-	-	26.41	51.26	12.66

(ii) Segment information for secondary segment reporting (by geographical segment)

The Company has reportable geographical segments based on location of customers:

- (i) Revenue from customers within India – Domestic
- (ii) Revenue from customers outside India – Exports

Geographical segment

Particulars	March 31, 2014			March 31, 2013			March 31, 2012		
	Outside India	Within India	Total	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	5,433.18	6163.99	11,597.17	3,393.70	3,791.41	7,185.11	2,509.46	1,997.72	4,507.18
Carrying amount of assets	-	12066.74	12,066.74	-	6,520.78	6,520.78	-	4,900.37	4,900.37
Cost incurred to acquire Capital assets	-	3090.85	3,090.85	-	1,186.72	1,186.72	-	443.18	443.18

* Amount less than Indian Rupees 10,000

- B. For the years ended March 31, 2016 and March 31, 2015, pharmaceuticals have been considered as the only business segment based on the group's business model of vertical integration and hence no separate financial disclosures are provided in respect of its single business segment.

Segment information for secondary segment reporting (by geographical segment)

The Company has reportable geographical segments based on location of customers:

- (i) Revenue from customers within India – Domestic
- (ii) Revenue from customers outside India – Exports

Geographical segments

Particulars	March 31, 2016		
	Outside India	Within India	Total
Revenue	6,501.06	11,307.30	17,808.36
Carrying amount of assets	-	23,083.48	23,083.48
Cost incurred to acquire Capital assets	-	3,323.51	3,323.51

Particulars	March 31, 2015		
	Outside India	Within India	Total
Revenue	4,996.08	8,267.05	13,263.13
Carrying amount of assets	-	18,925.49	18,925.49
Cost incurred to acquire Capital assets	-	3,802.24	3,802.24

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

11. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for
Other commitments

March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
1,179.00	1,223.00	1,181.00	357.00	91.00
-	-	-	-	-

12. Contingent Liabilities

Outstanding bank guarantees (excluding performance obligations)
Bills Discounted
Demand for direct taxes under appeal *#
Demand for indirect taxes under appeal #
Corporate guarantee
Preference Dividend
^ Amount less than Indian Rupees 10,000

March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
50.15	56.29	46.87	-	0.85
477.27	1,780.12	1,634.50	886.33	360.36
10.10	10.10	10.10	10.10	10.10
-	-	-	1.65	1.65
132.67	-	-	-	-
-	0.02	0.02	0.01	0.00^

* Demand for direct taxes under appeal comprise demand from the Indian tax authorities for payment of additional tax for the financial year 2007-08 (Assessment year 2008-09) on account of disallowance of deduction under Section 10A of the Income Tax Act, 1961 as claimed by the Company under the Income tax Act of Rs. 10.10. As against the same, the Company has paid tax under protest for Rs. 7.05. The matter is pending before the Honourable High Court of Karnataka as at March 31, 2016.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

13. Expenditure in Foreign Currency (Accrual Basis)

Consultancy and other professional charges
Finance expenses
Product Development
Commission on sales
Salaries, allowances and benefits to employees
Business Promotion and Advertisement
Membership and subscription
Travelling and conveyance
Rates and taxes
Donations
Others

March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
26.11	21.09	34.15	14.36	14.21
27.98	25.48	29.40	30.98	-
160.18	-	-	-	-
35.64	8.75	10.22	16.20	15.47
18.87	20.72	18.17	14.61	2.91
41.31	28.96	9.55	11.25	1.86
12.93	10.07	7.38	6.08	8.15
7.61	4.04	3.77	5.02	2.34
17.62	17.80	16.53	13.11	1.26
-	-	-	3.98	-
9.82	12.10	12.76	4.84	4.76
358.07	149.01	141.93	120.43	50.96

14. Earnings In Foreign Exchange

API and Contract Research Services
Software Services

March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
6,501.06	4,996.08	5,316.04	3,275.62	2,407.24
-	-	117.14	118.08	102.22
6,501.06	4,996.08	5,433.18	3,393.70	2,509.46

15. CIF Value of Imports

Raw Materials
Stores and Spares
Capital Goods

March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
7,938.72	7,539.28	6,788.77	3,169.32	1,915.90
21.87	7.74	5.58	4.47	6.36
302.41	404.57	147.57	98.89	54.89
8,263.00	7,951.59	6,941.92	3,272.68	1,977.15

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

16. Imported and Indigenous Raw Materials, Packing Materials and stores and spares consumed

	March 31, 2016		March 31, 2015		March 31, 2014		March 31, 2013		March 31, 2012	
	% of Total consumption	Rs. Million	% of Total consumption	Rs. Million	% of Total consumption	Rs. Million	% of Total consumption	Rs. Million	% of Total consumption	Rs. Million
Raw Materials										
Imported	77.87%	7,837.10	77.61%	6,981.42	76.26%	5,969.56	68.05%	2,998.18	64.34%	1,736.34
Indigenous	22.13%	2,227.85	22.39%	2,013.87	23.74%	1,858.60	31.95%	1,407.66	35.66%	962.39
	100.00%	10,064.95	100.00%	8,995.29	100.00%	7,828.16	100.00%	4,405.84	100.00%	2,698.73
Packing Material										
Imported	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indigenous	100.00%	80.11	100.00%	70.94	100.00%	54.72	100.00%	25.48	100.00%	16.05
	100.00%	80.11	100.00%	70.94	100.00%	54.72	100.00%	25.48	100.00%	16.05
Stores and spares										
Imported	13.07%	22.75	6.36%	7.87	6.92%	3.71	8.30%	3.88	16.80%	4.79
Indigenous	86.93%	151.26	93.64%	115.84	93.08%	49.87	91.70%	42.89	83.20%	23.73
	100.00%	174.01	100.00%	123.71	100.00%	53.58	100.00%	46.77	100.00%	28.52

17. Expenditure during construction period (pending allocation)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Opening Balance	24.50	16.83	6.89	-	-
Add:					
Salaries, allowances and benefits to employees	-	-	9.18	6.50	-
Travelling and conveyance	-	-	0.10	3.78	-
Staff welfare expenses	-	-	0.22	0.50	-
Consultancy and other professional charges	-	-	-	0.25	-
Contribution to provident fund and other funds	-	-	0.53	0.35	-
Rates and Taxes	-	9.32	9.58	-	-
Power and fuel	8.57	20.58	2.90	-	-
Rent	2.14	3.28	2.15	-	-
Factory maintenance	3.35	5.06	1.81	-	-
Insurance	0.34	1.61	0.36	-	-
Others	0.51	0.29	0.57	0.08	-
Less:					
Capitalised during the year	35.74	32.47	17.46	4.57	-
	3.67	24.50	16.83	6.89	-

18. Details of CSR expenditure

	March 31, 2016	March 31, 2015
a) Gross amount required to be spent by the Company during the year	18.79	15.43
(b) Amount spent during the year ending on 31st March, 2016:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	27.02	27.02
(c) Amount spent during the year ending on 31st March, 2015:		
(i) Construction / acquisition of any asset	3.80	3.80
(ii) On purposes other than (i) above	13.07	13.07

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure V: Notes to Restated Unconsolidated Summary Statements

(All amounts in Million Rupees except for share data or as otherwise stated)

19. Cancellation of Share warrants:

The share warrant which was issued pursuant to the share subscription agreement, dated June 17, 2007 has been cancelled and become void pursuant to the termination agreement, dated December 07, 2011. The amount of Rs. 0.01 received towards the share warrant is considered as Miscellaneous income.

20. Sale of Informatics Division:

As approved by the Board on October 18, 2013, the informatics division of the Company, not considered to be a part of the core business, was sold on February 28, 2014 to Laurus Infosystems (India) Private Limited , a related party, on a going concern basis in accordance with an independent valuation, for a total consideration of Rs.32.50 million, received by way of cash. The transaction resulted in a profit of Rs 5 million over the net asset value of the division in the Company's books amounting to Rs 27.50 million and this profit is included in Other Income.

As per our report of even date

For S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

For and on behalf of the Board of Directors
Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

per Vikas Kumar Pansari
Partner
Membership No. 093649

Dr.C.Satyanarayana
Chief Executive Officer

V.V.Ravi Kumar
Executive Director

Place: Hyderabad
Date:

Place: Hyderabad
Date:

G. Venkateswar Reddy
Company Secretary

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure VI - Restated Unconsolidated Statement of Share Capital
(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Authorised					
Equity shares of face value of Rs.	10.00	10.00	10.00	10.00	10.00
Equity shares (No.)	24,787,037	16,746,097	20,899,496	20,899,496	20,899,496
Authorised Equity shares of (Rs. in million)	(a) 247.87	167.46	208.99	208.99	208.99
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of face value of Rs.	10.00	10.00	10.00	10.00	10.00
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (No.)	2,259,060	6,900,000	6,900,000	6,900,000	6,900,000
Authorised 0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (Rs.in million)	(b) 22.59	69.00	69.00	69.00	69.00
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of face value of Rs.	243.00	243.00	243.00	243.00	243.00
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (No.)	2,477,387	2,477,387	2,477,387	2,477,387	2,477,387
Authorised 0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (Rs.in million)	(c) 602.01	602.01	602.01	602.01	602.01
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of face value of Rs.	10.00	10.00	-	-	-
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (No.)	4,153,399	4,153,399	-	-	-
Authorised 0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (Rs.in million)	(d) 41.53	41.53	-	-	-
Total authorised share capital (a+b+c+d)	914.00	880.00	880.00	880.00	880.00
Issued, Subscribed and Paid Up					
Equity shares of face value of Rs.	10.00	10.00	10.00	10.00	10.00
Equity shares (No.)	15,767,255	15,511,880	15,379,755	15,240,630	15,240,630
Equity shares of (Rs. in million)	(a) 157.67	155.12	153.80	152.41	152.41
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of face value of Rs.	10.00	10.00	10.00	10.00	10.00
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (No.)	2,259,060	2,259,060	2,259,060	2,259,060	2,259,060
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of (Rs.in million)	(b) 22.59	22.59	22.59	22.59	22.59
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of face value of Rs.	243.00	243.00	243.00	243.00	243.00
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (No.)	2,477,387	2,477,387	2,477,387	2,477,387	2,477,387
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of (Rs.in million)	(c) 602.01	602.01	602.01	602.01	602.01
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of face value of Rs.	10.00	10.00	-	-	-
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (No.)	4,153,399	4,153,399	-	-	-
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of (Rs.in million)	(d) 41.53	41.53	-	-	-
Total (a+b+c+d)	823.80	821.25	778.40	777.01	777.01

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure VI - Restated Unconsolidated Statement of Share Capital
(All amounts in Million Rupees except for share data or as otherwise stated)

VI.a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2016		March 31, 2015		As at March 31, 2014		March 31, 2013		March 31, 2012	
	No.	Rs.	No.	Rs.	No.	Rs.	No.	Rs.	No.	Rs.
Equity Shares of Rs.10 Each, Fully paid up										
At the beginning of the year	15,511,880	155.12	15,379,755	153.80	15,240,630	152.41	15,240,630	152.41	10,411,000	104.11
Issued during the year	255,375	2.55	132,125	1.32	139,125	1.39	-	-	200,000	2.00
Converted from preference shares to equity shares	-	-	-	-	-	-	-	-	4,629,630	46.30
Outstanding at the end of the year	15,767,255	157.67	15,511,880	155.12	15,379,755	153.80	15,240,630	152.41	15,240,630	152.41
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of Rs.10/- each fully paid up										
At the beginning of the year	2,259,060	22.59	2,259,060	22.59	2,259,060	22.59	2,259,060	22.59	6,888,690	68.89
Converted from preference shares to equity shares	-	-	-	-	-	-	-	-	4,629,630	46.30
Outstanding at the end of the year	2,259,060	22.59	2,259,060	22.59	2,259,060	22.59	2,259,060	22.59	2,259,060	22.59
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of Rs.243/- each fully paid up										
At the beginning of the year	2,477,387	602.01	2,477,387	602.01	2,477,387	602.01	2,477,387	602.01	-	-
Issued during the year	-	-	-	-	-	-	-	-	2,477,387	602.01
Outstanding at the end of the year	2,477,387	602.01	2,477,387	602.01	2,477,387	602.01	2,477,387	602.01	2,477,387	602.01
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of Rs.10/- each fully paid up										
0.001% Compulsorily Convertible Participatory Cumulative Preference	4,153,399	41.53	-	-	-	-	-	-	-	-
Issued during the year	-	-	4,153,399	41.53	-	-	-	-	-	-
Outstanding at the end of the year	4,153,399	41.53	4,153,399	41.53	-	-	-	-	-	-

VI.b. Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 Per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. For Liquidation terms and preferential rights refer Annexure VI.d.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to equity shareholders was Rs.2/- (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil and March 31, 2012: Rs. Nil).

VI.c. Rights attached to Preference Shares

0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of Rs.10/- each fully paid up

During the year ended March 31, 2008, the Company issued 6,800,000 CCPCPS of Rs.10/- each fully paid at a premium of Rs. 140 per share and also during the year ended March 31, 2009, 88,690 CCPCPS had been issued as part of the scheme of amalgamation of Aptuit Informatics India Private Limited with the Company. Each CCPCPS at the option of the holder is convertible into one equity share or will automatically be converted into one equity share on the twentieth anniversary of the initial issuance. For Liquidation terms and preferential rights refer Annexure VI.d.

During the year ended March 31, 2012, the preference share holder converted 4,629,630 CCPCPS into equity shares and the balance of 2,259,060 CCPCPS was renamed as "Series A Preference Shares". Each "Series A Preference Shareholder" is entitled to cumulative preference dividend equal to 0.001% per financial year and to exercise one vote per one share at the general meetings of the Company. For liquidation terms and preferential rights refer Annexure VI.d.

During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to Series A preference shareholders was Rs.2.00 (including arrears) (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil and March 31, 2012: Rs. Nil)

0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of Rs.243/- each fully paid up

During the year ended March 31, 2012, the Company had issued Series B Preference Shares of Rs. 243 each fully paid up aggregating 2,477,387 shares to FIL Capital Management (Mauritius) Limited, Fidelity India Principals and Dr. Satyanarayana Chava(Promoter). Each Series B Preference Share at the option of the holder is convertible into one equity share or will automatically be converted into one equity share after completion of 19 years and 365 days from the date of issue. Each Series B Preference Shareholder is entitled to cumulative preference dividend equal to 0.001% per financial year and to exercise one vote per share at the general meetings of the Company. For liquidation terms and preferential rights refer Annexure VI.d. During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to Series A preference shareholders was Rs.2.00 (including arrears) (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil and March 31, 2012: Rs. Nil)

0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of Rs.10/- each fully paid up

During the year ended March 31, 2015, the Company had issued Series C Preference Shares of Rs. 10 each fully paid up aggregating 4,153,399 shares to Bluewater Investment Limited ("Blue Water"). Each Series C Preference Share at the option of the holder is convertible into one equity share or will automatically be converted into one equity share after completion of 19 years and 365 days from the date of issue. Each Series C Preference Shareholder is entitled to cumulative preference dividend equal to 0.001% per financial year and to exercise one vote per share at the general meetings of the Company. For liquidation terms and preferential rights refer Annexure VI.d. During the year ended March 31, 2016, the amount of dividend per share recognized as distribution to Series A preference shareholders was Rs.2.00 (including arrears) (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil and March 31, 2012: Rs. Nil)

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure VI - Restated Unconsolidated Statement of Share Capital

(All amounts in Million Rupees except for share data or as otherwise stated)

VI.d. Liquidation terms and preferential rights

In case of winding up or liquidation, if the liquidation proceeds are adequate to cater to the amount of investment of Bluewater, FIL Capital Management (Mauritius) Limited and Fidelity India Principals as increased by an Internal Rate of Return (IRR) of 18% per annum computed thereon from the date of investment by each of them, then the liquidation proceeds will be shared equally among all the shareholders including preference shareholders proportionate to their holdings.

In the case of winding up or liquidation, if the liquidation proceeds are not adequate to cater to the amount of investment of Bluewater, FIL Capital Management (Mauritius) Limited and Fidelity India Principals, then such proceeds shall be distributed amongst Bluewater, FIL Capital Management (Mauritius) Limited, Fidelity India Principals and Promoter pari passu in proportion to Bluewater Investment Amount, FIL Capital Management (Mauritius) Limited Investment amount, Fidelity India Principals Investment amount and Promoter Investment Amount of Series B Preference Shares respectively. Of the remaining proceeds if any, the preference is defined as under:

- Contracted investment of Series A preference shareholders
- Promoter contracted investment amount of 465,000 equity shares
- Other shareholders including promoter contracted investment amount of equity shares
- Balance distributed to all shareholders in proportion to their shareholding.

VI.e. Details of Shareholders holding more than 5% shares of the Company:

Equity Shares of Rs. 10 each Held By	As at									
	March 31, 2016		March 31, 2015		March 31, 2014		March 31, 2013		March 31, 2012	
	% Holding	No.	% Holding	No.	% Holding	No.	% Holding	No.	% Holding	No.
Dr.C.Satyanarayana	23.69%	3,734,500	24.08%	3,734,500	28.83%	4,434,500	25.49%	3,884,500	28.11%	4,284,500
Blue Water Investment Limited	21.12%	3,330,758	21.47%	3,330,758	-	-	-	-	-	-
FIL Capital Management (Mauritius) Limited	16.44%	2,592,872	16.72%	2,592,872	30.10%	4,629,630	30.38%	4,629,630	30.38%	4,629,630
Mrs.C.Naga Rani	9.89%	1,560,000	10.06%	1,560,000	10.14%	1,560,000	10.24%	1,560,000	10.24%	1,560,000
Dr. Raju S Kalidindi	8.24%	1,300,000	8.38%	1,300,000	8.45%	1,300,000	8.53%	1,300,000	8.53%	1,300,000
Yalavarthi Vijaya Lakshmi	3.81%	600,000	3.87%	600,000	5.36%	825,000	5.41%	825,000	4.43%	675,000
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series A of Rs.10/- each fully paid up										
Aptuit (Asia) Private Limited	100.00%	2,259,060	100.00%	2,259,060	100.00%	2,259,060	100.00%	2,259,060	100.00%	2,259,060
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series B of Rs.243/- each fully paid up										
FIL Capital Management (Mauritius) Limited	79.66%	1,973,531	79.66%	1,973,531	79.66%	1,973,531	79.66%	1,973,531	79.66%	1,973,531
Dr.C.Satyanarayana	18.61%	460,926	18.61%	460,926	18.61%	460,926	18.61%	460,926	18.61%	460,926
0.001% Compulsorily Convertible Participatory Cumulative Preference shares - Series C of Rs.10/- each fully paid up										
Blue Water Investment Limited	100.00%	4,153,399	100.00%	4,153,399	-	-	-	-	-	-

VI.f. Details of Shares Reserved for issue under Options

For details of shares reserved for issue under Employee Stock Options Scheme plan of the Company, refer note 5 of Annexure V.

VI.g. Aggregate number shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

- i. The Company has bought back 1,100,000 equity shares of face value of Rs. 10/- each fully paid-up, in the financial year 2007-08.
- ii. The Company has allotted 88,690 CCPCPS - Series A of face value of Rs. 10/- each as fully paid-up, in the financial year 2008-09, as part of scheme of amalgamation for consideration other than cash.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure VI - Restated Unconsolidated Statement of Share Capital

(All amounts in Million Rupees except for share data or as otherwise stated)

VI.h. Changes in share capital structure post March 31, 2016:

Subsequent to the year ended March 31, 2016, the authorised share capital of the Company has increased from Rs. 914.00 (comprising of 24,787,037 equity shares of Rs. 10/- each, 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each) to Rs. 1,110.00 (comprising of 44,387,037 equity shares of Rs. 10/- each, 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each). Subsequently, the authorised share capital of the Company has been reclassified to a single class of equity shares comprising of 111,000,000 equity shares of Rs. 10/- each.

The Board of Directors of the Company, in their meeting held on July 15, 2016, have approved the conversion of 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each into equal number of equity shares of face value of Rs. 10 each in the ratio of 1:1.

The Board of Directors of the Company, in their meeting held on July 15, 2016, have recommended to the shareholders for the issue and allotment of bonus shares in the ratio of 3 (three) equity shares for every 1 (One) equity share held by the equity shareholders of the Company, which has been subsequently approved in the extra-ordinary general meeting of the Company held on July 20, 2016.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure VII - Restated Unconsolidated Statement of Reserves and Surplus

(All amounts in Million Rupees except for share data or as otherwise stated)

		As at				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Capital Reserve	(a)	17.92	17.92	17.92	17.92	17.92
Securities Premium						
At the beginning of the year		4,045.63	1,130.99	1,117.68	1,117.68	1,128.20
Add : Premium on Issue of Compulsorily Convertible Participatory Cumulative Preference shares (CCPCPS)		-	2,958.47	-	-	-
Add : transferred from stock options outstanding		25.30	13.27	13.31	-	-
Less: Share issue expenses		-	57.10	-	-	10.52
Closing balance	(b)	4,070.93	4,045.63	1,130.99	1,117.68	1,117.68
Employee stock option (refer note 5 of Annexure V)						
Gross employee stock compensation for options granted in earlier years		50.32	47.59	61.38	58.59	-
Add: gross compensation for options granted during the year		91.37	19.09	6.77	4.59	58.59
Less: gross compensation for options forfeited during the year		6.64	3.08	1.34	1.80	-
Less: deferred employee stock compensation		83.17	20.88	19.90	32.09	48.24
Less: transfer to securities premium on exercise of stock option		25.30	13.27	13.31	-	-
Closing balance	(c)	26.58	29.45	33.60	29.29	10.35
Surplus/ (deficit) in the Statement of profit and loss as restated						
At the beginning of the year as restated		2,358.43	1,623.26	651.09	(231.10)	(446.87)
Add : Restated Profit for the year		1,435.68	735.17	972.17	882.19	215.77
Less: Appropriations						
Proposed final equity dividend (Refer Annexure VI.b.)		31.53	-	-	-	-
Tax on proposed final equity dividend		6.42	-	-	-	-
Proposed dividend on CCPCPS - Series A, Series B and Series C (Refer Annexure VI.c.)		17.81	-	-	-	-
Tax on proposed dividend on CCPCPS - Series A, Series B and Series C		3.63	-	-	-	-
Net surplus/(deficit) in the Statement of profit and loss as restated	(d)	3,734.72	2,358.43	1,623.26	651.09	(231.10)
Total (a+b+c+d)		7,850.15	6,451.43	2,805.77	1,815.98	914.85

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A) Non Current portion					
Term Loans					
Indian Rupee loans from banks (Secured) (a and c)	3,333.31	2,627.91	1,655.42	412.66	345.30
Indian Rupee loans from financial Institutions (Secured)	-	-	-	-	12.33
Foreign currency loans from banks (Secured) (b and c)	44.31	253.96	202.66	256.99	-
Foreign currency loans from banks (Unsecured) (b and e)	1,061.33	-	-	-	-
Buyers Credit (Secured) (b and c)	141.79	133.79	-	-	-
Other Loans and Advances					
Vehicle loans from banks (Secured) (d)	25.54	21.11	23.64	17.38	5.74
Total	4,906.28	3,036.77	1,881.72	687.03	383.37
B) Current Maturities					
Term Loans					
Indian Rupee loans from banks (Secured) (a and c)	765.68	698.26	330.20	396.82	558.67
Indian Rupee loans from financial Institutions (Secured)	-	-	-	12.33	36.98
Foreign currency loans from banks (Secured) (b and c)	89.68	144.62	81.25	36.71	-
Other Loans and Advances					
Vehicle loans from banks (Secured) (d)	15.72	15.06	13.14	9.50	4.11
Amount disclosed under the head ' other current liabilities" (Refer Annexure XIV)	871.08	857.94	424.59	455.36	599.76

Notes:
1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
3) There are no amounts due to Subsidiaries / Associate / Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors / Entities having significant influence / Key Managerial Personnel.

(a) The details of Indian rupee loans from banks as at March 31, 2016 are as under:

Name of the Bank	Outstanding As on March 31, 2016	Sanction Amount	No. of Instalments	Commencement of instalments	Rate of Interest	Default Charges	Pre-Payment charges
State Bank of India (SBI)	450.00	450.00	20 quarterly instalments ranging from Rs. 18.00 to Rs.24.00	December 2016	Base rate plus 2.00% - 2.50 % p.a.	Penal interest @ 1.00% to 2.00% p.a. for default of certain covenants and /or in payment of interest and /or instalment to the bank /any other lender for the period of such default. Total penal interest in any case shall not exceed 3.00% p.a.	2.00% of the pre-paid amount unless from own funds.
State Bank of India (SBI)	430.00	490.00	23 quarterly instalments ranging from Rs. 20.00 to Rs.22.50	September 2015	Base rate plus 2.50% - 3.20 % p.a.	Penal interest @ 1.00% to 2.00% p.a. for default of certain covenants and /or in payment of interest and /or instalment to the bank /any other lender for the period of such default. Also, 1.20% for delay in drawdown beyond specified schedule. However, total penal interest in any case shall not exceed 3.00% p.a.	2.00% of the pre-paid amount unless from own funds.
State Bank of India (SBI)	127.50	300.00	8 quarterly instalments ranging from Rs. 15.00 to Rs.22.50	June 2016	Base rate plus 3.45 % p.a.	Penal interest @ 1.00% to 2.00% p.a. for default of certain covenants and /or in payment of interest and /or instalment to the bank /any other lender for the period of such default. Also, 1.20% for delay in drawdown beyond specified schedule. However, total penal interest in any case shall not exceed 3.00% p.a.	2.00% of the pre-paid amount unless from own funds.
Export-Import Bank of India (EXIM)	450.00	490.00	23 quarterly instalments ranging from Rs. 20.00 to Rs.22.50	December 2015	Base rate plus 2.00% p.a.	Additional 2.00% p.a. payable for default in payment of principal, interest or any other monies. In case of USD draws, additional 1.00% p.a. or maximum interest rate applicable upon conversion to rupee loan. 1.00% for delay in creating satisfactory mortgage security upon first disbursement and default in providing certain information until such default continues on respective due dates.	1.00% of the outstanding amount.
Export-Import Bank of India (EXIM)	654.27	1000.00	18 equal quarterly instalments of Rs.55.55	September 2014	Base rate plus 2.00% p.a.	Additional 2.00% p.a. payable for default in payment of principal, interest or any other monies. Additional interest upto 1.00% for delay in creating satisfactory mortgage security/ submission of NOCs from all existing chargeholders upon first disbursement and default in providing certain information until such default continues on respective due dates.	1.00% of the outstanding amount.
Punjab National Bank (PNB)	1450.00	1450.00	20 quarterly instalments ranging from Rs. 57.00 to Rs.76.00	December 2016	Base rate plus 1.75% p.a.	Penal interest of 2.00% p.a. for default in observance of borrowing covenants. However, additional interest may be charged on delay in creation of security on subsequent disbursements.	2.00% of the pre-paid amount unless from own funds.
ICICI Bank (ICICI)	37.22	67.67	20 quarterly instalments of Rs. 3.38	February 2014	Base rate plus 2.50% p.a.	Additional 6.00% p.a. for delay in repayment of principal / interest / charges or any other monies due on the facility until over dues are paid. Also 1.00% p.a. for not obtaining external rating within 6 months.	If the loan is prepaid within 45 days from the date of spread reset by bank, no prepayment penalty. Else, applicable prepayment premium as stipulated by the Bank.
HSBC Bank (HSBC)	500.00	500.00	10 quarterly instalments of Rs. 50	September 2016	Base rate plus 0.6% p.a.	All bank facilities shall become payable immediately upon breach of any covenants and conditions.	Penalties at banker's discretion.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure VIII - Restated Unconsolidated Statement of Long Term Borrowings
(All amounts in Million Rupees except for share data or as otherwise stated)

(b) Foreign Currency loans from banks as at March 31, 2016 comprise of ECB loan, Long Term Buyer's Credit and Foreign Currency Non Residential Term Loan (FCNR TL):

Name of the Bank & Nature of Loan	Outstanding As on March 31, 2016	Sanction Amount	No. of Instalments	Commencement of instalments	Rate of Interest	Default Charges	Pre-Payment charges
Bank of Bahrain and Kuwait (BBK) - ECB Loan	133.99	US\$ 5.40 Mn	16 quarterly instalments ranging from US\$ 0.338 to US\$ 0.330.	November 2013	London Inter -Bank Offered Rate (LIBOR) plus 3.50% p.a.	Additional 2.00% p.a. payable on total funded amount outstanding for default in payment of principal, interest or terms and conditions of the sanction.	1.50% of the pre-paid amount unless from own funds.
ICICI Bank (ICICI) - Buyer's Credit	141.79	US\$ 2.14 Mn	Single instalment	April 2017	LIBOR plus 0.74% p.a.	Additional 6.00% p.a. for delay in repayment of principal / interest / charges or any other monies due on the facility until over dues are paid. Also 1.00% p.a. for not obtaining external rating within 6 months.	If the loan is prepaid within 45 days from the date of spread reset by bank, no prepayment penalty. Else, applicable prepayment premium as stipulated by the Bank.
CITI Bank (CITI) - FCNR TL	1061.33	US\$ 21 Mn	Single instalment	February 2018	LIBOR plus 1.7% p.a.	Additional 4.00% p.a. on overdues / delays / default in payment of any monies.	USD 10,000.

(c) All Term loans (except ICICI) as at March 31, 2016 are secured by pari passu first charge on the fixed assets (both present and future) except to the extent of assets exclusively charged to banks. It is further secured by pari passu second charge on current assets both present and future. Also personal guarantees have been given by the Chief Executive Officer and one of the Executive Directors of the Company.

ICICI Term loan and buyers credit is secured by exclusive charge on the movable machinery / fixed assets procured from the term loan / buyers credit sanctioned by ICICI Bank and also personal guarantees have been given by the Chief Executive Officer and one of the Executive Directors of the Company.

(d) Vehicle loans as at March 31, 2016 from banks are repayable in instalments ranging from 36 to 48 months from the date of the loan and secured by hypothecation of the respective vehicles.

(e) CITI Bank Term loan as at March 31, 2016 is secured by Standby Letter of Credit (SBLC) from Citibank NA, South Africa on behalf of a customer.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure IX - Restated Unconsolidated Statement of Deferred Tax liability/(asset) (net)
(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Deferred Tax Liability					
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of fixed assets	630.39	490.28	273.60	159.82	119.18
	630.39	490.28	273.60	159.82	119.18
Deferred Tax Asset					
Income tax at the applicable rate on unabsorbed business loss and depreciation	(121.24)	(333.70)	(116.07)	(256.62)	(201.10)
Impact of expenditure charged to the statement of Profit and loss in the current year but allowed for tax purposes on payment basis	(61.39)	(53.91)	(39.35)	(21.40)	(15.08)
	(182.63)	(387.61)	(155.42)	(278.02)	(216.18)
Deferred tax liability/(asset) (Net)	447.76	102.67	118.18	(118.20)	(97.00)

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) In accordance with the virtual certainty principles of Accounting Standard 22, 'Accounting for Taxes on Income' (AS 22), issued by the Institute of Chartered Accountants of India, the Company has accounted for deferred tax assets (net) as at March 31, 2013 : Rs. 118.20 (March 31, 2012: 97.00) based on approval of business plan by board, agreements entered with customers, orders on hand, successful patent filings and a portfolio of drugs.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure X - Restated Unconsolidated Statement of other long term liabilities
(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Advances from Customers	441.56	446.58	-	-	41.81
Total	441.56	446.58	-	-	41.81

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XI - Restated Unconsolidated Statement of Provisions
(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A) Long Term Provisions					
Provision for Gratuity (Refer note 4 of Annexure V)	67.71	51.26	39.33	28.01	17.73
Total	67.71	51.26	39.33	28.01	17.73
B) Short Term Provisions					
Provision for Gratuity (Refer note 4 of Annexure V)	6.70	4.16	3.10	3.54	1.71
Provision for Compensated absences	69.82	50.36	37.58	27.69	20.82
Provision for Taxation	60.10	12.48	28.99	0.79	14.50
Proposed final equity dividend	31.53	-	-	-	-
Provision for tax on proposed final equity dividend	6.42	-	-	-	-
Proposed dividend on CCPCPS - Series A, Series B and Series C	17.81	-	-	-	-
Provision for tax on proposed dividend on CCPCPS - Series A, Series B and Series C	3.63	-	-	-	-
Total	196.01	67.00	69.67	32.02	37.03

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XII - Restated Unconsolidated Statement of Short term borrowings

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Cash Credits and Working Capital Demand Loan					
Indian Rupee loans from banks (Secured)	3,872.63	2,564.54	2,534.41	1,269.21	782.14
Foreign Currency loans from banks (Secured)	-	394.36	-	-	320.34
Buyers Credit from banks (Secured)	809.56	1,357.45	587.43	509.21	187.40
Total	4,682.19	4,316.35	3,121.84	1,778.42	1,289.88

Short term borrowings as at March 31, 2016 are availed in both Rupee and Foreign currencies. Interest on rupee loans ranges from Base rate plus 1% to 2.25%. Buyers credit loan interest ranges from LIBOR plus 0.25% to 0.52%. These borrowings are secured by pari passu first charge on current assets and pari passu second charge on the fixed assets (both present and future). Also personal guarantees have been given by the Chief Executive Officer and one of the Executive Directors of the Company.

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) There are no amounts due to Subsidiaries / Associate / Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors / Entities having significant influence / Key Managerial Personnel.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XIII - Restated Unconsolidated Statement of Trade Payables
(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Outstanding dues to micro enterprises and small enterprises (Refer note 6 of Annexure V for details of the amount due to Micro and Small Enterprises)	5.22	2.73	5.11	0.57	-
	5.22	2.73	5.11	0.57	-
Outstanding dues to creditors other than micro enterprises and small enterprises	2,519.63	2,298.01	2,269.40	1,321.84	968.35
Total	2,519.63	2,298.01	2,269.40	1,321.84	968.35

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XIV - Restated Unconsolidated Statement of Other Current Liabilities
(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Current maturities of long term borrowings (refer Annexure VIIIB)	871.08	857.94	424.59	455.36	599.76
Capital creditors	303.08	341.18	531.99	82.44	88.82
Interest accrued but not due on borrowings	45.92	40.35	19.61	11.99	6.34
Advances from customers	176.05	52.74	626.57	5.43	12.96
Statutory dues	47.04	39.23	38.40	13.79	10.87
Total	1,443.17	1,331.44	1,641.16	569.01	718.75

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XV - Restated Unconsolidated Statement of Fixed Assets

(All amounts in Million Rupees except for share data or as otherwise stated)

Particulars	Tangible Assets								Intangible Assets				Grand Total (A+B)
	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles	Total Tangible Assets (A)	Computer Software purchased	Computer Software Internally generated	Goodwill	Total Intangible Assets (B)	
Gross Block													
As at April 01, 2011	130.60	107.03	776.43	1,154.79	168.37	58.16	31.22	2,426.60	6.36	-	14.54	20.90	2,447.50
Additions	-	-	11.23	130.91	1.12	3.73	10.80	157.79	2.16	-	-	2.16	159.95
Disposals / Adjustments	-	(0.50)	-	(0.03)	-	(0.51)	(7.26)	(8.30)	-	-	-	-	(8.30)
As at March 31, 2012	130.60	106.53	787.66	1,285.67	169.49	61.38	34.76	2,576.09	8.52	-	14.54	23.06	2,599.15
Additions	-	168.04	69.22	417.36	3.36	21.07	28.19	707.24	7.46	4.57	-	12.03	719.27
Disposals / Adjustments	-	-	-	(2.61)	-	-	(12.72)	(15.33)	-	-	-	-	(15.33)
As at March 31, 2013	130.60	274.57	856.88	1,700.42	172.85	82.45	50.23	3,268.00	15.98	4.57	14.54	35.09	3,303.09
Additions	161.35	493.55	459.14	1,770.55	4.13	20.10	24.99	2,933.81	47.27	13.12	-	60.39	2,994.20
Disposals / Adjustments	-	-	-	(6.25)	(0.87)	(35.16)	(7.72)	(50.00)	-	(17.69)	(14.54)	(32.23)	(82.23)
As at March 31, 2014	291.95	768.12	1,316.02	3,464.72	176.11	67.39	67.50	6,151.81	63.25	-	-	63.25	6,215.06
Additions	-	1.30	885.35	2,623.40	55.88	27.85	19.26	3,613.04	27.69	-	-	27.69	3,640.73
Disposals / Adjustments	-	-	-	(8.43)	-	(0.72)	(4.43)	(13.58)	-	-	-	-	(13.58)
As at March 31, 2015	291.95	769.42	2,201.37	6,079.69	231.99	94.52	82.33	9,751.27	90.94	-	-	90.94	9,842.21
Additions	63.13	34.04	1,447.07	2,005.85	70.38	33.19	29.40	3,683.06	21.70	-	-	21.70	3,704.76
Disposals / Adjustments	-	-	-	(1.84)	-	(0.53)	(17.48)	(19.85)	-	-	-	-	(19.85)
As at March 31, 2016	355.08	803.46	3,648.44	8,083.70	302.37	127.18	94.25	13,414.48	112.64	-	-	112.64	13,527.12
Depreciation/Amortisation													
As at April 01, 2011	8.61	-	83.00	322.85	63.49	40.75	19.67	538.37	4.63	-	14.54	19.17	557.54
Charge for the year	3.41	-	26.10	120.47	16.98	9.25	5.47	181.68	1.02	-	-	1.02	182.70
Disposals / Adjustments	-	-	-	-	-	(0.40)	(6.09)	(6.49)	-	-	-	-	(6.49)
As at March 31, 2012	12.02	-	109.10	443.32	80.47	49.60	19.05	713.56	5.65	-	14.54	20.19	733.75
Charge for the year	3.40	-	28.17	159.07	17.14	8.71	7.78	224.27	1.73	0.28	-	2.01	226.28
Disposals / Adjustments	-	-	-	(0.69)	-	-	(11.78)	(12.47)	-	-	-	-	(12.47)
As at March 31, 2013	15.42	-	137.27	601.70	97.61	58.31	15.05	925.36	7.38	0.28	14.54	22.20	947.56
Charge for the year	6.66	-	33.34	241.46	17.22	8.20	11.05	317.93	9.09	1.78	-	10.87	328.80
Disposals / Adjustments	-	-	-	(1.29)	(0.41)	(24.39)	(5.52)	(31.61)	-	(2.06)	(14.54)	(16.60)	(48.21)
As at March 31, 2014	22.08	-	170.61	841.87	114.42	42.12	20.58	1,211.68	16.47	-	-	16.47	1,228.15
Charge for the year	8.29	-	56.17	487.47	19.18	14.06	14.34	599.51	13.32	-	-	13.32	612.83
Disposals / Adjustments	-	-	-	(0.97)	-	(0.72)	(2.37)	(4.06)	-	-	-	-	(4.06)
As at March 31, 2015	30.37	-	226.78	1,328.37	133.60	55.46	32.55	1,807.13	29.79	-	-	29.79	1,836.92
Charge for the year	9.18	-	112.16	713.86	28.57	17.00	15.93	896.70	18.97	-	-	18.97	915.67
Disposals / Adjustments	-	-	-	(0.04)	-	(0.53)	(10.63)	(11.20)	-	-	-	-	(11.20)
As at March 31, 2016	39.55	-	338.94	2,042.19	162.17	71.93	37.85	2,692.63	48.76	-	-	48.76	2,741.39
Net Block													
As at March 31, 2012	118.58	106.53	678.56	842.35	89.02	11.78	15.71	1,862.53	2.87	-	-	2.87	1,865.40
As at March 31, 2013	115.18	274.57	719.61	1,098.72	75.24	24.14	35.18	2,342.64	8.60	4.29	-	12.89	2,355.53
As at March 31, 2014	269.87	768.12	1,145.41	2,622.85	61.69	25.27	46.92	4,940.13	46.78	-	-	46.78	4,986.91
As at March 31, 2015	261.58	769.42	1,974.59	4,751.32	98.39	39.06	49.78	7,944.14	61.15	-	-	61.15	8,005.29
As at March 31, 2016	315.53	803.46	3,309.50	6,041.51	140.20	55.25	56.40	10,721.85	63.88	-	-	63.88	10,785.73

Capital Work in Progress (including expenditure during construction period - refer note 17 of Annexure V) - Rs. 696.00 (March 31, 2015: Rs. 1,072.54, March 31, 2014: 1,160.99, March 31, 2013: 727.81 and March 31, 2012: 321.15).

* includes expenditure during the construction period amounting to Rs. 35.74 (March 31,2015: Rs. 32.47, March 31,2014: Rs.17.46, March 31,2013: Rs.4.57 and March 31,2012: Rs. Nil) (Also refer note 17 of Annexure V).

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) Goodwill disclosed under fixed assets represents excess of consideration over the net book value of assets acquired as a result of the amalgamation of Aptuit Informatics India Private Limited with the Company.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XVI - Restated Unconsolidated Statement of Non Current Investments

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Non-trade investments (valued at cost unless stated otherwise) (unquoted)					
Investment in subsidiaries					
- 2,454,059 (March 31, 2015: 2,454,059, March 31, 2014: 2,454,059, March 31, 2013: Nil and March 31, 2012: Nil) Equity Shares of Rs.10 each fully paid-up in Viziphar Biosciences Private Limited (At cost less provision for other than temporary diminution Rs. 4.55 (March 31, 2015: Rs. 4.55, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil and March 31, 2012: Rs. Nil)	-	-	4.55	-	-
- 30,000 (March 31, 2015 : 19,000, March 31, 2014: Nil, March 31, 2013: Nil and March 31, 2012: Nil) Equity Shares of US\$ 100 each fully paid-up in Laurus Synthesis Inc.	189.26	119.13	-	-	-
Investment in Associate					
- 3,834,908 (March 31, 2015: 3,834,908, March 31, 2014: Nil, March 31, 2013: Nil and March 31, 2012: Nil) Equity Shares of Rs.10 each of Sriam Labs Private Limited	71.98	71.98	-	-	-
	261.24	191.11	4.55	-	-

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XVII - Restated Unconsolidated Statement of Loans and Advances

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A) Long Term (Unsecured, Considered Good unless otherwise stated)					
Capital Advances	207.61	250.42	191.29	78.26	23.86
Security Deposit	71.09	42.08	27.90	22.93	14.21
Advances Recoverable in Cash or Kind					
Considered Good	-	21.26	-	-	-
Considered Doubtful	1.06	1.64	1.38	-	1.12
Other Loans and Advances					
Prepaid expenses	1.08	-	-	-	-
Advance Tax	0.39	0.39	0.97	0.97	2.51
Minimum Alternate Tax Credit Entitlement	989.58	608.94	456.69	194.25	24.01
Tax paid under protest	7.05	7.05	7.05	7.05	5.05
	1,277.86	931.78	685.28	303.46	70.76
Less: Provision for doubtful advances	(1.06)	(1.64)	(1.38)	-	(1.12)
Total	1,276.80	930.14	683.90	303.46	69.64
B) Short Term (Unsecured, Considered Good unless otherwise stated)					
Security Deposit	-	-	-	0.48	-
Advances Recoverable in cash or kind	68.27	112.91	92.68	13.85	15.91
Loans and advances to subsidiary companies					
Considered Good	36.33	4.55	3.00	-	-
Considered Doubtful	-	0.50	-	-	-
Other Loans and Advances					
Loans and Advances to Employees	5.83	2.68	2.15	1.34	0.28
Prepaid expenses	56.77	82.59	51.99	33.71	12.26
Balances with Statutory / Government Authorities	127.05	106.63	102.64	74.80	49.72
	294.25	309.86	252.46	124.18	78.17
Less: Provision for doubtful advances	-	(0.50)	-	-	-
Total	294.25	309.36	252.46	124.18	78.17

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

3) Following are the amounts due from Subsidiaries / Associate / Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors / Entities having significant influence / Key Managerial personnel:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Laurus Synthesis Inc.	1.33	1.25	-	-	-
Sriam Labs Private Limited	35.00	-	-	-	-
Viziphar Biosciences Private Limited	-	3.80	3.00	-	-

4) List of persons / entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XVIII - Restated Unconsolidated Statement of Other Assets

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A) Other Non Current Assets (Unsecured, considered good unless stated otherwise)					
Non Current Bank Deposits (Annexure XXI)	7.19	75.37	112.06	26.41	29.00
Interest Accrued on Deposits	0.47	5.94	1.61	0.80	2.76
Unamortised expenditure	8.88	16.38	16.99	14.66	-
Export and other incentives receivable	73.90	41.93	14.58	36.35	45.40
Total	90.44	139.62	145.24	78.22	77.16
B) Other Current Assets (Unsecured, considered good unless stated otherwise)					
Interest Accrued on Deposits	10.39	8.52	4.52	8.54	4.06
Insurance Claim Receivable	29.85	85.38	29.12	7.65	7.65
Unamortised expenditure	5.57	8.88	8.71	3.47	5.12
Export and other incentives receivable	115.51	20.98	22.46	9.64	40.73
Others	0.78	22.47	0.71	8.16	-
	162.10	146.23	65.52	37.46	57.56
Less: Provision for insurance claim receivable	(29.85)	(29.85)	(29.12)	-	-
Total	132.25	116.38	36.40	37.46	57.56

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XIX - Restated Unconsolidated Statement of Inventories

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(At lower of cost and net realisable value)					
Raw Materials [including Port Stock and Stock in transit Rs. 787.95 (March 31, 2015: Rs. 1,086.48, March 31, 2014 :Rs. 679.18, March 31, 2013 :Rs. 248.88 and March 31, 2012 :Rs. 143.64)]	2,182.40	2,310.94	1,688.16	692.89	465.05
Work-in-progress	1,408.01	1,464.25	1,062.23	367.61	163.17
Finished Goods	1,222.06	915.04	472.53	464.22	336.72
Stores, spares and packing materials	58.46	64.73	58.05	37.18	21.38
Total	4,870.93	4,754.96	3,280.97	1,561.90	986.32

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XX - Restated Unconsolidated Statement of Trade Receivables

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, Considered Good	63.70	18.58	9.34	111.09	68.63
Doubtful	-	4.74	4.74	3.76	5.08
	63.70	23.32	14.08	114.85	73.71
Less: Provision for doubtful receivables	-	4.74	4.74	3.76	5.08
	63.70	18.58	9.34	111.09	68.63
Other Receivables					
Unsecured, Considered Good	4,373.31	2,831.87	1,939.41	1,455.87	1,414.51
	4,373.31	2,831.87	1,939.41	1,455.87	1,414.51
Total	4,437.01	2,850.45	1,948.75	1,566.96	1,483.14

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) Following are the amounts due from Subsidiaries / Associate / Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors / Entities having significant influence / Key Managerial Personnel:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Laurus Synthesis Inc.	16.74	-	-	-	-

- 4) List of persons / entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXI - Restated Unconsolidated Statement of Cash and Bank Balances

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Cash and Cash Equivalents					
Balances with Banks					
- On Current Accounts	86.75	209.79	149.04	24.88	42.20
- Deposits with original maturity of less than three months	0.49	150.00	-	-	-
Cash on Hand	2.30	2.29	0.62	1.81	1.24
Other Bank Balances					
On Deposit Accounts					
- Remaining maturity for more than twelve months	7.19	75.37	112.06	26.41	29.00
- Remaining maturity for less than twelve months	149.29	193.56	80.75	109.48	49.80
	156.48	268.93	192.81	135.89	78.80
Less : Amount disclosed under Other Assets (Refer Annexure XVIII)	(7.19)	(75.37)	(112.06)	(26.41)	(29.00)
Total	238.83	555.64	230.41	136.17	93.24

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) Deposits with a carrying amount of Rs. 156.48 (March 31, 2015: Rs. 268.93, March 31, 2014 :Rs. 192.81, March 31, 2013 :Rs. 135.89 and March 31, 2012 :Rs. 78.80) are towards margin money given for letter of credit and bank guarantees.

		For the years ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Sale of Products						
Income from Sale of API and Intermediates		17,487.02	13,121.05	11,261.29	6,899.95	4,226.93
Income from Sale of Traded goods		161.37	69.27	88.51	24.27	49.46
	(A)	17,648.39	13,190.32	11,349.80	6,924.22	4,276.39
Sale of Services						
Contract Research Services		211.39	63.29	154.81	149.62	108.76
Software Services		-	-	117.14	120.25	102.22
	(B)	211.39	63.29	271.95	269.87	210.98
Other Operating Revenue						
Sale of Scrap		13.92	8.70	5.83	5.29	7.23
Export and other Incentives		162.14	29.85	8.47	26.04	46.35
Others		106.60	84.31	20.81	-	-
	(C)	282.66	122.86	35.11	31.33	53.58
Revenue from Operations (Gross)	(A+B+C)	18,142.44	13,376.47	11,656.86	7,225.42	4,540.95
Less: Excise Duty		334.08	113.34	59.69	40.31	33.77
Revenue from Operations (Net)		17,808.36	13,263.13	11,597.17	7,185.11	4,507.18

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXIII - Restated Unconsolidated Statement of Other Income

(All amounts in Million Rupees except for share data or as otherwise stated)

	Nature	Related / not related to business activity	For the years ended				
			March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Interest Income on							
Deposits and Margin money	recurring	not related	20.70	19.99	14.61	9.73	6.67
Others	recurring	not related	2.90	1.66	20.28	2.98	1.11
Net Gain on Foreign Exchange Fluctuations	recurring	related	46.40	181.89	40.65	30.54	-
Insurance Claim Receivable	non recurring	not related	-	118.07	2.21	0.09	7.65
Profit on Sale of Assets (net)	non recurring	not related	-	0.16	-	-	-
Reversal of provision for doubtful advance and receivables (Net)	non recurring	related	5.32	-	-	-	-
Bad debts recovered	non recurring	related	-	-	2.00	-	-
Liabilities no longer required written back	non recurring	related	-	16.45	-	3.82	-
Profit on sale of informatics division (Refer note 20 of Annexure V)	non recurring	not related	-	-	5.00	-	-
Miscellaneous Income	non recurring	not related	0.47	2.45	3.42	3.40	0.46
Total			75.79	340.67	88.17	50.56	15.89

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) The classification of other income as recurring / not-recurring, related / not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXIV - Restated Unconsolidated Statement of Cost of Materials Consumed
(All amounts in Million Rupees except for share data or as otherwise stated)

		For the years ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Raw Materials Consumed						
Opening stock at the beginning of the year		2,310.94	1,688.16	692.89	465.05	346.24
Add : Purchases		10,003.44	9,643.00	8,823.43	4,633.68	2,817.54
Less : Sale of materials		67.03	24.93	-	-	-
		12,247.35	11,306.23	9,516.32	5,098.73	3,163.78
Less : Closing stock at the end of the year		2,182.40	2,310.94	1,688.16	692.89	465.05
	(A)	10,064.95	8,995.29	7,828.16	4,405.84	2,698.73
Packing Materials Consumed	(B)	80.11	70.94	54.72	25.48	16.05
Total	(A+B)	10,145.06	9,066.23	7,882.88	4,431.32	2,714.78

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXV - Restated Unconsolidated Statement of Increase in Inventories of Finished Goods and work-in-progress

(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Opening stock of inventories					
Finished goods of API and Intermediates	915.04	472.53	464.22	336.72	274.25
Work-in-Progress of API and Intermediates	1,464.25	1,062.23	367.61	163.17	124.32
	<u>2,379.29</u>	<u>1,534.76</u>	<u>831.83</u>	<u>499.89</u>	<u>398.57</u>
Closing stock of inventories					
Finished goods of API and Intermediates	1,222.06	915.04	472.53	464.22	336.72
Work-in-Progress of API and Intermediates	1,408.01	1,464.25	1,062.23	367.61	163.17
	<u>2,630.07</u>	<u>2,379.29</u>	<u>1,534.76</u>	<u>831.83</u>	<u>499.89</u>
Increase in inventories of finished goods and work-in-progress	<u>(250.78)</u>	<u>(844.53)</u>	<u>(702.93)</u>	<u>(331.94)</u>	<u>(101.32)</u>
Increase in Finished goods of API and Intermediates	(307.02)	(442.51)	(8.31)	(127.50)	(62.47)
Decrease/(Increase) in Work-in-Progress of API and Intermediates	56.24	(402.02)	(694.62)	(204.44)	(38.85)
Increase in inventories of finished goods and work-in-progress	<u>(250.78)</u>	<u>(844.53)</u>	<u>(702.93)</u>	<u>(331.94)</u>	<u>(101.32)</u>

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXVI - Restated Unconsolidated Statement of Other Manufacturing Expenses
(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Consumption of stores and spares	174.01	123.71	53.58	46.77	28.52
Conversion charges	302.35	251.36	122.13	46.09	18.96
Factory maintenance	185.86	144.05	84.03	63.98	31.62
Effluent treatment expenses	132.63	113.06	103.21	40.58	36.73
Power and Fuel	569.72	498.52	350.30	276.27	105.51
Repairs & maintenance					
Plant and machinery	100.81	66.09	36.00	36.02	19.09
Buildings	17.86	11.59	5.73	8.91	2.84
Others	1.56	3.15	6.82	1.33	7.84
Product development	178.56	6.96	10.64	12.76	9.23
Others	26.93	13.75	4.17	3.94	5.06
Total	1,690.29	1,232.24	776.61	536.65	265.40

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXVII - Restated Unconsolidated Statement of Employee Benefit Expenses
(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Salaries, allowances and benefits to employees	1,299.50	1,009.73	792.82	567.22	454.55
Contribution to provident fund and other funds	66.59	56.38	44.48	33.40	28.75
Gratuity expense (Refer note 4 of Annexure V)	23.49	15.98	12.74	14.93	9.86
Employee Stock Option Charge	22.43	9.10	17.62	18.94	10.35
Managerial remuneration	130.58	68.14	79.77	67.21	42.95
Recruitment and training	10.31	11.23	8.63	5.33	4.13
Staff welfare expenses	159.28	124.14	85.09	56.50	46.39
Total	1,712.18	1,294.70	1,041.15	763.53	596.98

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXVIII - Restated Unconsolidated Statement of Operating and Selling Expenses
(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Rent	26.74	21.28	21.30	19.37	15.81
Rates and taxes	35.39	27.45	18.45	22.92	5.46
Office maintenance	16.93	16.51	21.04	14.56	10.30
Insurance	48.78	43.10	29.39	23.72	14.76
Printing and stationery	13.56	12.81	8.96	7.77	6.11
Consultancy and other professional charges	64.99	60.92	98.71	31.03	26.79
Membership and subscription	20.69	11.87	10.42	9.47	6.37
Net Loss on Foreign Exchange Fluctuations	-	-	-	-	21.62
Remuneration to auditors					
-Audit Fee	4.10	3.30	2.70	2.40	2.20
-Tax audit fee	0.40	0.40	0.30	0.20	0.20
-Other services	0.17	0.15	0.12	0.97	0.60
-Out of pocket expenses	0.07	0.06	0.05	0.07	0.05
Travelling and conveyance	53.44	41.27	41.47	35.39	21.28
Communication expenses	14.95	12.64	10.02	7.79	6.20
Loss on Sale of fixed assets (net)	2.98	-	1.35	2.33	1.02
Advances and bad debts written off	18.86	0.99	3.29	30.79	-
Provision for doubtful advance and receivables	-	0.76	2.36	1.49	0.13
Provision for diminution in value of investments (Refer annexure XVI)	-	4.55	-	-	-
Provision for Insurance claim receivable	-	0.73	29.12	-	-
Carriage outwards	63.32	63.04	83.32	48.66	42.08
Commission on sales	50.98	12.73	13.55	24.35	16.90
Royalty	15.59	-	-	-	-
Other selling expenses	11.13	9.62	5.89	9.63	9.61
Business Promotion and Advertisement	49.47	36.03	22.68	14.77	3.88
CSR Expenditure (Refer note 18 of Annexure V)	27.02	16.87	-	-	-
Donations	0.90	0.46	5.09	5.06	-
Miscellaneous expenses	1.43	1.71	2.22	1.24	0.73
Total	541.89	399.25	431.80	313.98	212.10

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXIX - Restated Unconsolidated Statement of Finance Expenses

(All amounts in Million Rupees except for share data or as otherwise stated)

	For the years ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Interest					
- on Term loans	476.66	360.85	154.10	116.54	167.99
- on working capital loans	493.33	444.49	300.45	196.07	126.10
- on others	16.32	6.61	7.66	7.64	5.94
Premium on forward contracts amortised	89.16	100.98	63.09	15.48	0.74
Bank charges	72.92	98.16	61.82	55.49	30.25
Exchange difference to the extent considered as an adjustment to borrowing costs	51.18	50.48	52.35	20.40	64.87
Total	1,199.57	1,061.57	639.47	411.62	395.89

Notes:

1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXX - Restated Unconsolidated Statement of Related Party Transactions

(All amounts in Million Rupees except for share data or as otherwise stated)

Names of related parties and description of relationship

Relationship	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Company which exercises significant influence	-	FIL Capital Management (Mauritius) Limited *	FIL Capital Management (Mauritius) Limited	FIL Capital Management (Mauritius) Limited	FIL Capital Management (Mauritius) Limited *
	-	FIL Capital Advisors Trustee Company Private Limited *	FIL Capital Advisors Trustee Company Private Limited	FIL Capital Advisors Trustee Company Private Limited	FIL Capital Advisors Trustee Company Private Limited *
	Bluewater Investment Limited	Bluewater Investment Limited **	-	-	-
	-	-	-	-	Aptuit Kansas City LLC ***
	-	-	-	-	Aptuit Edinburg Ltd ***
	-	-	-	-	Aptuit (Deeside) Limited ***
	-	-	-	-	Aptuit (Glasgow) Ltd ***
	-	-	-	-	Aptuit Oxford Ltd ***
Subsidiary Companies	Viziphar Biosciences Private Limited	Viziphar Biosciences Private Limited	Viziphar Biosciences Private Limited #	-	-
	Laurus Synthesis Inc.	Laurus Synthesis Inc. ##	-	-	-
	Sriam Labs Private Limited	Sriam Labs Private Limited ###	-	-	-
Associate Company	Laurus Infosystems (India) Private Limited	Laurus Infosystems (India) Private Limited	Laurus Infosystems (India) Private Limited	-	-
Names of related parties in which key management personnel exercise significant influence Key Management Personnel	Dr. C. Satyanarayana	Dr. C. Satyanarayana	Dr. C. Satyanarayana	Dr. C. Satyanarayana	Dr. C. Satyanarayana
	Dr. Raju S Kalidindi	Dr. Raju S Kalidindi	Dr. Raju S Kalidindi	Dr. Raju S Kalidindi	Dr. Raju S Kalidindi
	Mr. V.V. Ravi Kumar	Mr. V.V. Ravi Kumar	Mr. V.V. Ravi Kumar	Mr. V.V. Ravi Kumar	Mr. V.V. Ravi Kumar
Relatives of Key Management Personnel	Mr. C. Narasimha Rao	Mr. C. Narasimha Rao	Mr. C. Narasimha Rao	Mr. C. Narasimha Rao	Mr. C. Narasimha Rao
	Mr. C. Chandrakanth	Mr. C. Chandrakanth	Mr. C. Chandrakanth	Mr. C. Chandrakanth	Mr. C. Chandrakanth
	Mrs. C. Soumya	Mrs. C. Soumya	Mrs. C. Soumya	Mrs. C. Soumya	Mrs. C. Soumya

effective from February 10, 2014

effective from December 08, 2014

effective from April 25, 2014

* effective from February 14, 2012 and cease to exercise significant influence from October 29, 2014

** effective from October 29, 2014

*** ceased from February 14, 2012

Transactions during the year:

	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
a) Company which exercises significant influence					
i) Bluewater Investment Limited					
Issue of Preference Shares including Securities Premium	-	3,000.00	-	-	-
ii) FIL Capital Management (Mauritius) Limited					
Issue of preference shares	-	-	-	-	479.57
iii) FIL Capital Advisors Trustee Company Private Limited					
Issue of preference shares	-	-	-	-	10.43
iv) Aptuit Kansas City LLC					
Contract Research Services rendered	-	-	-	-	17.54
Sale of Product	-	-	-	-	0.85
Software services rendered	-	-	-	-	92.46
Reimbursement of expenses	-	-	-	-	0.22
v) Aptuit Edinburg Ltd					
Contract Research Services rendered	-	-	-	-	19.90
vi) Aptuit (Deeside) Limited					
Web Maintenance charges	-	-	-	-	0.18
vii) Aptuit (Glasgow) Ltd					
Contract Research Services rendered	-	-	-	-	6.08

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXX - Restated Unconsolidated Statement of Related Party Transactions
(All amounts in Million Rupees except for share data or as otherwise stated)

	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
b) Subsidiary Companies					
i) Viziphar Biosciences Private Limited					
Advances given	-	2.34	3.00	-	-
Provision for diminution in value of Investments	-	4.55	-	-	-
Provision for doubtful advance and receivables	-	0.05	-	-	-
Advances written off (net of provision)	2.30	-	-	-	-
Advances recovered	1.00	1.54	-	-	-
ii) Laurus Synthesis Inc.					
Investments made	70.13	119.13	-	-	-
Reimbursement of expenses	-	1.25	-	-	-
Contract research services	16.35	-	-	-	-
Product development expenses	153.88	-	-	-	-
Business promotion	16.93	-	-	-	-
Commission	2.42	-	-	-	-
c) Associate Company					
i) Sriam Labs Private Limited					
Investments made	-	71.98	-	-	-
Advance given	35.00	-	-	-	-
Conversion Charges	7.95	5.10	-	-	-
Purchase of goods	160.26	309.43	-	-	-
Sale of goods	4.83	0.59	-	-	-
Sale of assets	1.19	1.65	-	-	-
d) Company where key management personnel exercise significant influence					
i) Laurus Infosystems (India) Private Limited					
Sale of Informatics division	-	-	32.50	-	-
Software Maintenance	19.19	12.81	-	-	-
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
e) Key Management Personnel					
i) Dr. C. Satyanarayana					
Remuneration	77.03	33.61	45.38	37.01	22.17
Issue of Preference shares	-	-	-	-	112.01
ii) Dr. Raju S Kalidindi					
Remuneration	23.04	13.50	13.93	12.55	9.06
iii) Mr. V.V. Ravi Kumar					
Remuneration	23.04	13.50	13.93	12.47	9.05
Rent	0.63	0.53	0.43	-	-
f) Relatives of Key Management Personnel					
i) Mr. C. Narasimha Rao					
Remuneration	4.13	3.08	2.66	1.92	1.58
ii) Mr. C. Chandrakanth					
Remuneration	6.35	4.82	4.58	3.56	0.36
ii) Mrs. C. Soumya					
Rent	1.25	1.05	0.86	1.05	0.90
Closing Balances					
	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
a) Company which exercises significant influence					
i) Aptuit Edinburgh Ltd					
Disclosed under trade payables	-	-	-	-	1.43
ii) Aptuit Oxford Ltd					
Disclosed under trade payables	-	-	-	-	0.11
iii) Aptuit (Glasgow) Ltd					
Disclosed under trade payables	-	-	-	-	0.49
b) Subsidiary Companies					
i) Viziphar Biosciences Private Limited					
Disclosed under short term loans & advances	-	3.80	3.00	-	-
ii) Laurus Synthesis Inc.					
Disclosed under short term loans & advances	1.33	1.25	-	-	-
Disclosed under trade payables	63.76	-	-	-	-
Disclosed under trade receivables	16.74	-	-	-	-

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)

CIN: U24239AP2005PLC047518

Annexure XXX - Restated Unconsolidated Statement of Related Party Transactions

(All amounts in Million Rupees except for share data or as otherwise stated)

	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
c) Associate Company					
i) Sriam Labs Private Limited			-	-	-
Disclosed under short term loans & advances	35.00	-			
Disclosed under trade payables	1.87	78.88	-	-	-
d) Company where key management personnel exercise significant influence					
i) Laurus Infosystems (India) Private Limited					
Trade Payables	1.75	-	-	-	-
e) Key Management Personnel					
i) Dr. C. Satyanarayana*					
Remuneration payable	38.50	-	27.76	18.30	6.31
ii) Dr. Raju S Kalidindi*					
Remuneration payable	7.70	-	5.52	3.51	1.44
iii) Mr. V.V. Ravi Kumar					
Remuneration payable	7.70	-	5.52	3.51	1.44
Rent Payable	0.05	0.09	0.04	-	-
f) Relatives of Key Management Personnel					
i) Mr. C. Narasimha Rao					
Remuneration payable	0.87	0.50	0.41	0.36	0.26
ii) Mr. C. Chandrakanth					
Remuneration payable	1.42	0.86	0.86	0.71	0.02
iii) Mrs. C. Soumya					
Rent Payable	0.10	0.18	0.09	0.16	0.07

* Key Management personnel have given personal guarantees as collateral security in favour of bankers in connection with term loans, cash credit facilities and buyer's credit whose closing balance in total is Rs. Rs. 9,056.96 (March 31, 2015: Rs. 8,174.89, March 31, 2014: 5,391.37, March 31, 2013 : 2,893.93, March 31, 2012 : 2,243.16)

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statements of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- 3) The Company has provided a corporate guarantee for Rs. 132.67 (March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil, March 31, 2013: Rs. Nil and March 31, 2012: Rs. Nil) in the form of Standby Letter of Credit (SBL) to Citi Bank NA for the loan obtained by Laurus Synthesis Inc., which shall be utilised for business purposes.
- 4) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXI - Restated Unconsolidated Statement of Accounting Ratios
(All amounts in Million Rupees except for share data or as otherwise stated)

		As at/ year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Net Profit after tax as restated	A	1435.68	735.17	972.17	882.19	215.77
Less: Preference dividend and tax thereon		(21.41)	(0.01)	(0.01)	(0.01)	(0.00)
Net profit after tax (as restated) attributable to equity shareholders	B	1414.27	735.16	972.16	882.18	215.77
Weighted average no. of equity shares outstanding during the year used for computing Basic EPS (refer Note 4 below)	C	15,644,494	15,444,500	15,296,107	15,240,630	11,091,308
Add: Effect of dilution						
Convertible preference shares / warrants	D	8,889,846	6,488,840	4,736,447	4,736,447	10,948,996
Stock options granted under ESOP	E	64,068	240,767	253,546	343,635	331,720
Weighted average no. of equity shares for calculating Diluted EPS	F=C+D+E	24,598,408	22,174,107	20,286,100	20,320,712	22,372,023
Net Worth at the end of the year (Rs. in million) (refer Note 5 below)	G	8,673.95	7,272.68	3,584.17	2,592.99	1,691.86
Total no. of equity shares outstanding at the end of the year	H	15,767,255	15,511,880	15,379,755	15,240,630	15,240,630
Accounting ratios prior to issue of bonus shares (refer note 7 below):						
Basic earnings per share (EPS) (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(a) below)	I=B / C	90.40	47.60	63.56	57.88	19.45
Diluted earnings per share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(b) below)	J=A / F	58.36	33.15	47.92	43.41	9.64
Return on Net Worth (%) (Refer Note 3(c) below)	K=A / G	16.55%	10.11%	27.12%	34.02%	12.75%
Net asset value per equity share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(d) below)	L=G / H	550.12	468.85	233.04	170.14	111.01
Accounting ratios post issue of bonus shares (refer note 7 below):						
Basic earnings per share (EPS) (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(a) below)		22.60	11.90	15.89	14.47	4.86
Diluted earnings per share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(b) below)		14.59	8.29	11.98	10.85	2.41
Return on Net Worth (%) (Refer Note 3(c) below)		16.55%	10.11%	27.12%	34.02%	12.75%
Net asset value per equity share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(d) below)		137.53	117.21	58.26	42.53	27.75

Notes:

- The figures disclosed above are based on the restated unconsolidated summary statements of the Company.
- The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

3. The Ratios have been computed as below

(a) Basic Earnings per share (Rs.)	<u>Net profit after tax attributable to equity shareholders</u> Weighted average number of equity shares outstanding during the year
(b) Diluted Earnings per share (Rs.)	<u>Net profit after tax</u> Weighted average number of diluted equity shares outstanding during the year
(c) Return on Net Worth (%)	<u>Net Profit after tax</u> Net worth at the end of the year
(d) Net asset value per share (Rs.)	<u>Net worth at the end of the year</u> Total number of equity shares outstanding at the end of the year

4. 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 year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. Net worth for ratios mentioned in note 3(c) and 3(d) represents the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

6. Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly.

7. Subsequent to March 31, 2016, the Board of Directors of the Company, in their meeting held on July 15, 2016, have approved the conversion of 2,259,060 0.001% CCPCPS - Series A of Rs. 10/- each, 2,477,387 0.001% CCPCPS - Series B of Rs. 243/- each and 4,153,399 0.001% CCPCPS - Series C of Rs. 10/- each into equal number of equity shares of face value of Rs. 10 each in the ratio of 1:1. Also, the Board of Directors of the Company have recommended to the shareholders for the issue and allotment of bonus shares in the ratio of 3 (three) equity shares for every 1 (One) equity share held by the equity shareholders of the Company, which has been subsequently approved in the extra-ordinary general meeting of the Company held on July 20, 2016.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXII - Restated Unconsolidated Capitalisation Statement
(All amounts in Million Rupees except for share data or as otherwise stated)

	Pre IPO as at March 31, 2016	As adjusted for IPO (Refer note 3 below)
Long term borrowings		
Non-Current portion (A)	4,606.28	-
Current maturities (B)	871.08	-
Total Long term borrowings (C = A + B)	5,477.36	-
Short term borrowings (D)	4,682.19	-
Total Debt (E = C + D)	10,159.55	-
Shareholder's fund		
Share capital	823.80	-
Reserve and surplus		
Capital Reserve	17.92	-
Securities Premium	4,070.93	-
Employee stock option	26.58	-
Surplus in the Statement of profit and loss	3,734.72	-
Total shareholders' fund (F)	8,673.95	-
Debt / equity (E/F)	1.17	-
Long-term debt / equity (C/F)	0.63	-

Notes:

1. The figures disclosed above are based on the restated unconsolidated summary statements of the Company.
2. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
3. The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence, the same have not been provided in the above statement.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXIII - Restated Unconsolidated Tax Shelter Statement
(All amounts in Million Rupees except for share data or as otherwise stated)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A Restated profit before tax	1,780.77	719.66	1,208.55	860.99	215.77
B Normal tax rate	34.61%	34.61%	32.45%	32.45%	32.45%
C Tax at special rate (Long term capital gain/ loss)	23.07%	23.07%	21.63%	21.63%	21.63%
D Tax thereon at the above rate (A * B)	616.29	249.06	392.11	279.35	70.01
E Permanent differences					
Weighted deduction under section 35(2AB) under the Income Tax Act, 1961	(729.10)	(599.55)	(404.25)	(344.42)	(288.90)
Deduction under section 32AC under the Income Tax Act, 1961	(218.34)	(323.90)	(164.09)	-	-
Expenses disallowed under Income Tax Act, 1961	35.39	12.74	0.07	4.15	0.03
Profit on sale of Informatics division	-	-	(5.00)	-	-
Total	(912.05)	(910.71)	(573.27)	(340.27)	(288.87)
F Timing differences					
Difference in book depreciation and depreciation under Income Tax Act, 1961	(287.74)	(479.01)	(314.14)	(72.02)	(3.63)
Expenses allowed on payment basis	26.42	31.34	20.18	6.25	2.89
Provision for insurance claim receivable	-	0.73	29.12	-	-
Provision for doubtful debts and advances	-	0.76	2.36	1.49	0.13
Provision for Impairment of Investment	-	4.55	-	-	-
Reversal of provision for doubtful advance and receivables (Net)	(5.82)	-	-	(3.93)	(0.59)
Others	2.98	(0.16)	1.35	2.33	1.02
Total	(264.16)	(441.79)	(261.13)	(65.88)	(0.18)
G Net adjustments (E + F)	(1,176.21)	(1,352.50)	(834.40)	(406.15)	(289.05)
H Taxable income/(loss) before set off of losses					
- Taxable at normal rate	604.56	(632.84)	374.15	454.84	(73.28)
- Taxable at special rate	-	-	17.37	-	-
I Business losses carried forward / (set-off) as carried forward losses	(604.56)	632.84	(391.52)	(454.84)	73.28
J Total Tax Expenses/ (savings) thereon (H + I)	-	-	-	-	-
K Incremental Tax arising under Minimum Alternate Tax under Section 115JB of the Income-tax Act, 1961	380.64	152.25	262.44	170.24	20.45
L Current Tax (J + K)	380.64	152.25	262.44	170.24	20.45
M MAT Credit Entitlement	(380.64)	(152.25)	(262.44)	(170.24)	(20.45)
N Deferred Tax	345.09	(15.51)	236.38	(21.20)	-
O Total Tax Expenses (L + M + O)	345.09	(15.51)	236.38	(21.20)	-

Notes:

1. The aforesaid Statement of Tax Shelter has been prepared as per the restated summary statement of profits and losses of the Company.
2. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
3. Income tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

Laurus Labs Limited (formerly known as Laurus Labs Private Limited)
CIN: U24239AP2005PLC047518
Annexure XXXIV - Restated Unconsolidated Statement of Dividend
(All amounts in Million Rupees except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A. Equity Shares:					
Number of Shares (numbers)	15,767,255	15,511,880	15,379,755	15,240,630	15,240,630
Face value per share (Rs.)	10	10	10	10	10
Rate of dividend (%)	20.00%	-	-	-	-
Dividend amount (in million)	31.53	-	-	-	-
Tax on dividend (in million)	6.42	-	-	-	-
B. Compulsorily Convertible Participatory Cumulative Preference shares - Series A:					
Number of Shares (numbers)	2,259,060	2,259,060	2,259,060	2,259,060	2,259,060
Face value per share (Rs.)	10	10	10	10	10
Rate of dividend (%)	20.00%	-	-	-	-
Dividend amount (in million)	4.52	-	-	-	-
Tax on dividend (in million)	0.92	-	-	-	-
C. Compulsorily Convertible Participatory Cumulative Preference shares - Series B:					
Number of Shares (numbers)	2,477,387	2,477,387	2,477,387	2,477,387	2,477,387
Face value per share (Rs.)	243	243	243	243	243
Rate of dividend (%)	0.83%	-	-	-	-
Dividend amount (in million)	4.98	-	-	-	-
Tax on dividend (in million)	1.01	-	-	-	-
D. Compulsorily Convertible Participatory Cumulative Preference shares - Series C:					
Number of Shares (numbers)	4,153,399	4,153,399	-	-	-
Face value per share (Rs.)	10	10	-	-	-
Rate of dividend (%)	20.00%	-	-	-	-
Dividend amount (in million)	8.31	-	-	-	-
Tax on dividend (in million)	1.70	-	-	-	-

Notes:

- The figures disclosed above are based on the restated unconsolidated summary statements of the Company.
- The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.
- The Company at its board meeting held on April 29, 2016, proposed a final dividend for the financial year 2015-2016 @ Rs. 2/- per share.

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for the purposes of expansion of existing manufacturing facilities to meet growing business opportunities, setting up of new manufacturing facilities, for manufacture of APIs, oncological and nutraceutical products, purchase/import of raw materials, packing material, stores and spares and meeting working capital requirements. Our Company and our Promoters provide guarantees in relation to these loans as and when required. For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, including for change in its capital structure, change in its shareholding pattern, reconstitution of the board of directors or change or amendment to the constitutional documents of our Company.

Set forth below is a brief summary of the financial indebtedness, which is an aggregate of long term borrowings, current maturities of long term borrowings, interest accrued but not due on borrowings and short term borrowings of our Company and Subsidiary, as of June 30, 2016:

1. Indian Rupee Loans

(In ₹ Million)

Nature of Borrowing	Amount Sanctioned	Amount outstanding as of June 30, 2016
Secured Loans		
Long Term Borrowings	4,447.67	3,796.73
Short term borrowings – Fund based	5,450.00	4,446.09
Vehicle Loans	75.54	40.01
Interest accrued but not due	-	41.82
Total	9,973.21	8,324.65

In addition to the above our Company has also been sanctioned a non-fund based working capital limit of ₹3,020 million.

2. Foreign Currency Loans

(In USD Million)

Nature of Borrowing	Amount Sanctioned	Amount outstanding as of June 30, 2016*
Term Loan		
Foreign Currency Non Resident Loan	4.44	1.67
ECB	5.40	1.68
Buyers Credit	2.14	2.14
Unsecured Borrowings	21.00	21.00
Short Term Borrowings**	-	15.33
Total	32.98	41.82

*As of June 30, 2016, 1USD = ₹67.62 (Source: <https://rbi.org.in>)

** Drawn out of non-fund based working capital sanctioned limit of ₹3,020.00

Principal terms of the borrowings availed by our Company and our Subsidiary:

1. **Interest:** In terms of the Indian rupee loans availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. With respect to foreign currency loans, the interest rate is typically the LIBOR specified by the lender as of a specific date and spread per annum. The spread varies between different loans for different banks. In terms of vehicle loans availed by us, the interest rate is typically a fixed rate of interest as specified by each lender.
2. **Tenor:** The tenor of the borrowings availed by our Company typically ranges from 3 months to 7 years.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
 - a) Create security by way of hypothecation of our present and future fixed assets including plant, machinery, furniture fixtures and other movable assets, bank accounts including the trust and retention account, escrow account and debt service reserve accounts, fixed deposits, operating cash flows, receivables, commissions, revenues of whatsoever nature, intangibles, goodwill, book debts, stock and vehicles and create by way of security a *pari passu* or sole and exclusive charge by way of hypothecation of current assets of our Company, present and future;
 - b) Create equitable mortgage over some of our properties;

- c) Provide corporate guarantees and personal guarantees of Promoters;
- d) Execute demand promissory notes for a specified amount in the form approved by the relevant lender; and
- e) Provide indemnities.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Pre-payment:** Our Company may prepay part or full amount with notice and certain pre-payment charges as may be applicable in accordance with the terms and conditions agreed upon with a specific lender.
5. **Re-payment:** The working capital facilities and vehicle loans are typically repayable on demand. Some of our lenders typically have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts.
6. **Events of Default:** Borrowing arrangements entered into by us contain standard events of default, including:
 - a) Change in management or control, reduction in promoter shareholding below a lower prescribed limit;
 - b) Any change in ownership of 25% or more of the common stock of our Subsidiary;
 - c) Violation of any term of the relevant agreement or any other borrowing agreement;
 - d) Undertaking liquidation, dissolution or winding up, without the consent of the lender;
 - e) Cross-default;
 - f) Misrepresentation by the Company in any of the documents submitted to the lender;
 - g) Utilization of funds for purposes other than the sanctioned purpose; and
 - h) Any event which might have a material adverse effect.

This is an indicative list and there may be additional terms that may amount to an event of default under various borrowing arrangements entered into by us.

7. **Restrictive Covenants:** Certain borrowing arrangements entered into by us contain restrictive covenants, including:
 - a) Change in capital structure of our Company without prior permission of the lender;
 - b) Creation of any further charge on the secured assets or providing any guarantees to other lenders without prior approval of the lender;
 - c) Declaration of dividend or distribution of profits without the consent of the lender;
 - d) Amendment of charter documents without the prior consent of the lender;
 - e) Requirement of prior consent in order to avail any borrowing or financing;
 - f) Requirement of maintaining the debt to equity ratio above a certain specified limit;
 - g) Requirement of prior consent for sale, transfer or disposal of the whole or substantially part of the undertaking of our Company, property, assets or revenues, whether by a single transaction or a number of transactions (other than in the ordinary course of trading);
 - h) Requirement of prior consent in case of any change in the equity, management and operating structure of our Company;

- i) Right of the lender to convert debt into equity, at a time felt appropriate by the lender, at a mutually acceptable formula;
- j) Business being confined to such activity as has been notified to the lender at the time of sanctioning the credit facilities;
- k) Right of the lender to suspend, terminate or recall the existing credit facilities at the discretion of the lender;
- l) Providing loans, investing in or advancing money or assets to any other person, enterprise or entity, purchasing, creating or acquiring any interest in any other enterprise or entity or incurring any obligation as surety or guarantor other than in the ordinary course of business without prior written consent of the lender; and
- m) Right to appoint nominee director.

This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us.

Loans availed by our Associate Company

Our Associate Company has availed loans in the ordinary course of business for the purposes of expansion and modernisation of existing manufacturing facilities, setting up of new manufacturing facilities, procurement of raw materials, stores, consumables, obtaining buyer's credit and meeting working capital requirements.

Set forth below is a brief summary of the financial indebtedness of our Associate Company as of June 30, 2016:

Indian Rupee Loans

(In ₹ Million)

Nature of Borrowing	Amount Sanctioned	Amount outstanding as of June 30, 2016
Working Capital Loans		
Fund based	240.00	121.24
Non fund based	120.00	44.30
Term Loan	457.10	361.42
Vehicle Loans	0.67	0.49
Interest accrued but not due	-	3.75
Total	817.77	531.21

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated consolidated financial statements as of and for the financial years ended March 31, 2016, 2015, and 2014 including the related notes, schedules and annexures. These restated consolidated financial statements are based on our audited consolidated financial statements and are restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. Our audited consolidated financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects with Ind-AS, IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" included in this Draft Red Herring Prospectus.

Further, our Company is required to prepare annual and interim financial statements under Ind-AS for the current financial year, as required under Section 133 of the Companies Act 2013 read with Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016. Given that Ind-AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements. See "Risk Factors - Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP, Ind-AS and IFRS, which may be material to investors' assessments of our financial condition" and "Summary of Significant Differences between Indian GAAP and Ind-AS" on pages 34 and 360, respectively, of this Draft Red Herring Prospectus.

The Company did not have any subsidiary during financial years 2012 and 2013 and therefore, the financial data for such years reflects the financial position of the Company on a standalone basis.

Overview

We are a leading research and development driven pharmaceutical company in India, with a leadership position in generic active pharmaceutical ingredients for select, high-growth therapeutic areas of anti-retrovirals and Hepatitis C. (Source: Frost & Sullivan Report) We also manufacture APIs in Oncology and other therapeutic areas. Our strategic and early investments in R&D and manufacturing infrastructure have enabled us to become one of the leading suppliers of APIs in the ARV therapeutic area to multi-national pharmaceutical formulation companies which cater to the large and fast-growing "donor-funded access-to-medicines markets" of Sub-Saharan Africa, South-East Asia and Latin America. During the financial year 2016, we sold our APIs in 32 countries. We also have a growing synthesis and nutraceutical/cosmeceutical ingredients businesses. Further, we are increasingly focused towards growing our integrated generics finished dosage forms business in which we have made significant investments over the last two financial years.

We operate in four business lines: Generics – APIs, Generics – FDFs, Synthesis and Ingredients. Our Generics – API business comprises the development, manufacture and sale of APIs and advanced intermediates; our Generics – FDF business comprises the development and manufacture of oral solid formulations; our Synthesis business includes contract development and manufacturing services for global pharmaceutical companies; and our Ingredients business comprises the manufacture and sale of specialty ingredients for use in the nutraceutical and cosmeceutical sectors. We have launched 59 products since our inception in 2005. Our key customers include Aspen Pharmacare Limited, Aurobindo Pharma Limited, Cipla Limited, Mylan Laboratories Limited, NATCO Pharma Limited and Strides Shasun Limited. For the financial year 2016, nine out of the 10 largest generic pharmaceutical companies in the world, by revenue, were our customers.

We believe our "research-first" approach has been critical to our success and a differentiating factor from our competitors. We set-up our first dedicated R&D center in Hyderabad, Telangana in 2006. We initially focused on research in the Oncology and ARV API areas and after making progress in R&D we commissioned our first API manufacturing facility in 2007. Our kilo lab at our R&D center at Hyderabad has received approvals from the United States Food and Drug Administration, Pharmaceuticals and Medical Devices Agency of Japan and the Korea Food and Drug Administration. We have also set up an R&D center in Greater Boston, United States in 2015. As of June 30, 2016, we employed 587 scientists at our R&D center in Hyderabad and 12 scientists at our R&D centre in Greater Boston, which constituted 25.0% of our total employee strength. The Company spent ₹906.52 million, ₹586.49 million and ₹424.40 million towards our R&D activities during the financial years 2016, 2015 and 2014, or 5.1%, 4.3% and 3.6% of our total revenues in such periods, respectively.

We are currently in the process of expanding our R&D center in Hyderabad and setting up another R&D center in Visakhapatnam, Andhra Pradesh. We believe that our systematic approach to selection of molecules, which involves evaluation of technical and commercial feasibility data, and customer feedback is evident from our high proportion of active DMFs, with the commercialization of 30 out of the 37 filed Drug Master Files, as of June 30, 2016. As of June 30, 2016, the Company owned 32 patents and had 150 pending patent applications, in several countries.

We are committed to making continued investments to improve our manufacturing process efficiencies and backward integration strategy to maintain our cost competitiveness in our key products. We currently operate three manufacturing facilities in Visakhapatnam, Andhra Pradesh. Two of our facilities manufacture APIs and ingredients, while our third facility is for the manufacturing of APIs and FDFs. As of June 30, 2016, our operational manufacturing facilities have 435 reactors and an aggregate reactor volume of 1,833.6 KL. We also have a kilo lab near Hyderabad, Telangana. We are also in the process of setting up two additional manufacturing facilities, one for potent APIs (expected to commence operations by December 31, 2016) and the other for APIs, intermediates and ingredients (expected to commence construction during the financial year 2017). Post our planned expansion, our aggregate reactor volume will increase to 2,095.6 KL during the financial year 2017. Our manufacturing facilities have received one or more approvals from World Health Organization, US FDA, National Institute of Pharmacy Hungary, PMDA, KFDA or the Federal Institute for Drugs and Medical Devices of Germany. WHO and US FDA successfully conducted their last inspection at two of our facilities in Visakhapatnam in April 2015 and US FDA successfully conducted its last inspection at our kilo lab at Hyderabad in June 2016. We believe we have adopted uniform manufacturing standards across all our facilities to achieve standardized quality for all our markets.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our results of operations and financial condition are affected by a number of important factors including:

Our Relationships with Customers

We depend on global pharmaceutical companies for a significant portion of our revenues. For the financial year 2016, nine of the 10 largest generic pharmaceutical companies by revenue, were our customers. Our key customers include Aspen Pharmacare Limited, Aurobindo Pharma Limited, Cipla Limited, Mylan Laboratories Limited, NATCO Pharma Limited and Strides Shasun Limited. The demand from our customers, in particular our top six customers, determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on demand from corporate and government buyers, as well as general trends in the global pharmaceutical industry.

We have long-term relationships with our key customers and our sales to these customers are conducted on the basis of purchase orders that they place with us from time to time. Most of our customers provide us with forecasts of order volumes that help us estimate our production volumes and our revenue for that particular product or business line. However, it is difficult for us to predict with certainty when our customers will decide to increase or reduce inventory levels or levels of production, which strategic direction they will pursue, when they might launch new products or open new facilities, or whether future inventory levels will be consistent with historical levels.

Volume of Products Manufactured and Sold

The key driver in the growth of our revenue from operations has been the volume of products manufactured and sold by us. For the financial years 2016, 2015 and 2014, the volume of products sold by us in the ARV therapeutic area was 1,597.31 MT, 1,267.04 MT and 1,079.03 MT, respectively. For the financial years 2016 and 2015 the volume of products sold by us in the Hepatitis C therapeutic area was 8.29 MT and 0.92 MT, respectively. For the financial years 2016, 2015 and 2014, the volume of products sold by us in the Oncology therapeutic area was 4.46 MT, 3.94 MT and 2.65 MT, respectively. We are currently in the process of expanding the manufacturing capacity at our Unit 3 facility and expect this expansion to increase our aggregate reactor volume to 2,095.6 KL during the financial year 2017. We are also in the process of setting up two additional manufacturing facilities, one for potent APIs and the other for APIs, intermediates and ingredients.

Actual volumes and specifications of customer orders are fixed only if and when customers place purchase orders with us. Our actual production volumes may differ significantly from our estimates due to variations in customer demand for our products. When actual production volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or with new customers.

Further, since the number of purchase orders that our customers place with us may differ from quarter to quarter, our revenues, results of operations and cash flows have fluctuated in the past and we expect this trend to continue in the future.

Change in WHO Guidelines

Our key products in the ARV therapeutic area include Efavirenz, Tenofovir Disoproxil Fumarate and Emtricitabine, which are used as one of the preferred first line treatment regimens, recommended by the WHO for our target markets. The changes in the World Health Organization guidelines, released in September 2015, are expected to contribute to the increase of the overall ARV market size. The most significant impact would be created by the adoption of test and treat guidelines enabling all 36.9 million people living with HIV/AIDS to be eligible for anti-retroviral therapy, regardless of their age and viral load, thus expanding the market size considerably. Additionally, the recommendation of oral pre-exposure prophylaxis for people at risk of HIV, following implementation, would create more demand for TDF. With the change in WHO guidelines to initiate the treatment earlier to all patients with HIV, and TDF/3TC (or FTC)/EFV being the preferred first-line treatment option, the market for this regimen will significantly grow. (Source: Frost & Sullivan Report)

For instance, in South Africa, the country with the largest HIV patient population, it was reported that in 2015, there were around 6.2 million people in the country living with HIV. Of these, only around 50% of the patients (approximately 3 million patients) were on ARV treatment. However, with the WHO guideline changes in September 2015, the eligible patient population for ARV treatment in South Africa has increased to 6.2 million patients. (Source: Frost & Sullivan Report) We believe that we are well positioned to capitalize on the ARV API opportunity as a result of our portfolio and scale of operations.

Availability and Cost of Raw Materials

Our cost of materials consumed constitutes the largest component of our cost structure. For the financial years 2016, 2015 and 2014, our cost of materials consumed, purchase of traded goods and increase in inventories of finished goods and work-in-progress was ₹10,081.60 million, ₹8,283.62 million and ₹7,258.96 million, or 56.3%, 60.9% and 62.1% of our total revenue, respectively. We source a significant portion of raw materials from vendors in China and we also source raw materials from vendors across Europe, Taiwan, United States, the Middle East, India and Japan. As we continue to grow our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. We typically do not enter into long term supply contracts with any of our vendors and instead place purchase orders with them from time to time. We are thus exposed to fluctuations in availability and prices of our raw materials and we may not be able to effectively pass on any increase in cost of raw materials to our customers, which may affect our margins, sales, results of operations and cash flows. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes.

Success of Our New Business Lines

We have historically derived a significant percent of our revenue from our Generics – API business and believe we will continue to see strong growth in our Generics – API business. We also anticipate that we will derive higher revenues from our Generics – FDF, Synthesis and Ingredients businesses in the future. We are further building on our API strengths to forward integrate and become a leading FDF player in the global generic pharmaceutical market. We have invested ₹2,390.69 million towards growing our FDF business during the last two financial years, of which, we had invested ₹2,013.66 million, as of March 31, 2016, to set up an FDF manufacturing facility. We currently have contracts with generic pharmaceutical companies such as Citron, NATCO and Dr. Reddy's Laboratories Limited for the development of finished dosage products in the several therapeutic area on a profit and cost sharing basis.

We also have a growing synthesis business where we work with global pharmaceutical companies for providing analytical and research services, clinical research supplies and commercial scale contract manufacturing services. Further, our Ingredients business comprises the manufacture and sale of specialty ingredients for use in the nutraceutical and cosmeceutical sectors. The success of these business lines will affect our results of operations and cash flows.

Research and Development

We are focused on undertaking dedicated R&D in our existing products and in areas where we believe there is significant growth potential. We believe our “research-first” approach has been critical to our success and a

significant differentiating factor from our competitors. We have an R&D center at Hyderabad and Greater Boston and are currently in the process of setting up another R&D center at Visakhapatnam. Our research team consists of 599 scientists, which constitutes approximately 25.0% of our total employee strength, as of June 30, 2016. The Company's total expenditure for R&D activities, including for product development costs, was ₹906.52 million for the financial year 2016 compared to ₹586.49 million for the financial year 2015 and ₹424.40 million for the financial year 2014. We believe that our continuing R&D initiatives have strengthened our product offering in our served markets across geographies.

To develop our product pipeline, we commit substantial time, funds and other resources in R&D. In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. We strive to keep our technology, facilities and machinery current with the latest international standards. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff is significant and affects our results of operations and cash flows.

Tax Incentives

We are currently availing income tax benefits under section 35(2AB) of Income Tax Act 1961, as amended (the “**Indian Income Tax Act**”) for weighted deduction of in-house R&D expenditure based on approval from Department of Scientific and Industrial Research (“**DSIR**”). As per the applicable rule, the weighted deduction for financial years 2016 and 2017 is 200% and 150% thereafter for each financial year until 2020. We availed investment allowance under section 32 AC (1) and 1A under the Indian Income Tax Act, at 15% of actual cost of new plant and machinery acquired and installed during the financials years 2014 and 2016. We are also availing export incentives under the Merchandise Export Incentive Scheme (“**MEIS**”) on our exports and Market Accesses Initiative Reimbursement (“**MAI**”) for reimbursement of DMF product registration charges up to ₹5 million per year. These tax benefits and incentives contribute to our results of operations and cash flows and a change in tax benefits and incentives available to us would likely affect our profitability.

Statement of Critical Accounting Policies

Basis of consolidation

The Restated Financial Statements have been prepared in accordance with Indian GAAP and comply in all material respects with the applicable accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. Our Company has not prepared the consolidated financial statements up to the year ended March 31, 2013 as it had no subsidiaries, associates and joint ventures during the financial years 2013 and 2012. Accordingly, March 31, 2013 and March 31, 2012 financial information are not presented with on a consolidated basis.

Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net

disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Depreciation on tangible fixed assets

- Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956, were treated as minimum rates and our Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the restated unconsolidated summary statements.
- Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.
- Had our Company continued to use the earlier estimated useful life of fixed assets for providing depreciation, the charge to Statement of profit and loss for the financial year 2016 would have been lower by ₹59.56 and the net block of fixed assets and profit before tax would have been higher by ₹59.56.
- To comply with the requirement of Schedule II to the Companies Act, 2013, our Company has changed its accounting policy for depreciation of assets costing less than ₹5,000. As per the revised policy, our Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014. The change in accounting for depreciation of assets costing less than ₹5,000 did not have any material impact on the Restated Financial Statements of our Company for the financial year 2016.
- Land acquired on lease is amortized over the period of lease (ranging from 33 to 51 years).
- Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

	Useful lives estimated by the management (years)		Useful lives as stated in the Act (years)	
	From April 1, 2014 onwards	From April 1, 2013 to March 31, 2014	From April 1, 2014 onwards	From April 1, 2013 to March 31, 2014
Factory buildings	30	30	30	30
Other buildings	60	30	60	30
Plant and Equipment	5-20	10	5-20	10-21
Furniture and fixtures	10	10	10	16
Vehicles	5	5	8	11
Computers	3-6	5	3-6	6

Intangible Assets

- *Computer Software:* Costs relating to software, which is acquired, are capitalized and amortized on a straight-line basis over their estimated useful lives of five years. Expenditure incurred on development of internally generated assets such as software from which future economic benefits will flow over a period of time is amortized over the estimated useful life or five years on a straight line basis, whichever is earlier.
- *Goodwill:* Goodwill is amortized using the straight-line method over a period of five years.

Leases

- *Where our Company is a lessee:* Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss.

Borrowing Costs

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

Impairment

We assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, we estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Inventories

- During the year ended March 31, 2014, our Company has implemented the Enterprise Resource Planning on SAP Application. Accordingly, our Company has changed its method of valuation of inventory of stores and spares from the earlier method, i.e., first in first out basis ("FIFO") to transaction moving weighted average method. This change, however, does not have any material impact on the profit of our Company.
- Raw materials and packing materials are valued at lower of cost and net realizable value. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and packing materials is determined on a weighted average basis.
- Work-in-progress and finished goods are valued at the lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads. Cost of finished goods is determined on a weighted average basis.
- Traded goods are valued at the lower of cost and net realizable value.
- Stores and spares are valued at the lower of cost and net realizable value. Cost of stores and spares is determined on a weighted average basis.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to us and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- *Sale of Services:* Revenue from contract research operations is recognized in accordance with the terms of the relevant contracts with customers and when the agreed milestones are achieved, which are substantiated by the performance of related service work.
- *Interest Income:* Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- *Dividend Income:* Dividend income is recognized when our right to receive the dividend is established by

the reporting date.

Foreign currency translation

- *Initial Recognition:* Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- *Conversion:* Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- *Exchange Differences:* Exchange differences arising on the settlement of monetary items or on reporting group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
- *Forward Exchange Contracts not intended for trading or speculation purposes:* The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or as expense for the year.
- *Translation of non integral foreign operation:* The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operations, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of foreign operations, the translation procedures applicable to the revised classification are applied from the date of the change in the classification. Any goodwill or capital reserve arising on acquisition of non-integral operations is translated at closing rate.

Retirement and other employee benefits

Retirement benefits in the form of provident fund contribution and superannuation are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when an employee renders the related service. Our Company has no obligation, other than the contributions payable to the funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

We treat accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the year-end. Actuarial gains and losses are immediately taken to the statement of profit and loss and are not deferred. We present the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where we have unabsorbed depreciation or carry forward tax losses, the entire deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. At each balance sheet date, we re-assess unrecognized deferred tax assets and accounts for unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. We write down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax ("MAT") paid in a year is charged to the statement of profit and loss as current tax. Our Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that our Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which our Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." Our Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent we do not have convincing evidence that we will pay normal tax during the specified period.

Segment Reporting Policies

- *Identification of segments:* Our operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which our major operations are carried out and location of our customers.
- *Inter-segment transfers:* Our Company generally accounts for intersegment sales and transfers at cost plus appropriate margins. Inter segment profit/charge is eliminated on combination of segmental results for the preparation of the accounts of our Company as a whole.
- *Allocation of common costs:* Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- *Unallocated items:* The unallocated items include general corporate income and expense items which are not allocable to any business segment.
- *Segment accounting policies:* We prepares our segment information in conformity with the accounting policies adopted for preparing and presenting our financial statements as a whole.

Contingent liabilities

A contingent liability is a possible obligation that may arise as a result of past events whose existence may be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond our control or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. We do not recognize a contingent liability but disclose its existence in our financial statements.

Research and development

Revenue expenditure on research and development is charged to revenue in the year in which it is incurred. Capital expenditure on research and development is added to fixed assets and depreciated in accordance with our policies.

Segment Reporting

For the financial years ended March 31, 2016 and March 31, 2015, pharmaceuticals have been considered as the only business segment based on our business model of vertical integration and hence no separate financial disclosures are provided in respect of our single business segment.

We have reportable geographical segments based on location of customers:

- Revenue from customers within India – Domestic, and
- Revenue from customers outside India – Exports.

(₹ in millions)

Particulars	As of / For the Year Ended					
	March 31, 2016			March 31, 2015		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	6,529.35	11,308.37	17,837.72	4,973.91	8,291.99	13,265.90
Carrying amount of assets	154.62	22,875.84	23,030.46	75.13	18,808.02	18,883.15
Cost incurred to acquire capital assets	47.75	3,322.08	3,369.83	28.98	3,802.17	3,831.15

Revenue and Expenses

Our revenue and expenditure is reported in the following manner:

Revenue

Revenue. Total revenue consists of revenue from operations (net) and other income.

Revenue from operations. Revenue from operations comprises revenues from the sale of products, sale of services and other operating revenue. Sale of products comprises income from the sale of APIs (for the financial year 2016, primarily ARV, Hepatitis C and Oncology therapeutic areas, and for the financial years 2015 and 2014, primarily ARV and Oncology therapeutic areas) and intermediates (such as ingredients in nutraceutical and cosmeceutical sectors) and the sale of traded goods (traded goods usually comprise surplus raw material, which is then sold from time to time). Sale of services comprise contract research services and software services (we sold our software services business in February 2014). Other operating revenue comprises revenue from the sale of scrap, export and other incentives (relating to export of goods sold) and others (primarily reflecting a minimum guarantee payment in connection with a dedicated manufacturing block).

Other Income. Other income primarily comprises interest income on deposits and margin money, other interest income and net gain on foreign exchange fluctuations. It may also include non-recurring items such as insurance claims receivables.

Expenses

Expenses consist of cost of materials consumed, purchase of traded goods, increase in inventories of finished goods and work-in-progress, other manufacturing expenses, employee benefits expenses and operating and selling expenses.

Cost of materials consumed. Cost of materials consumed comprises cost incurred towards the purchase of chemicals such as 4-Chloro-2-Trifluoroacetylaniline, Cyclopropyl Acetylene and L-Menthyl Emtricitabine, Adenine and Diethyl Tosyloxy Methyl Phosphonate, and expenses incurred in relation to the purchase of packaging materials.

Purchase of traded goods. Purchase of traded goods comprises the cost of certain chemicals and solvents.

Increase in inventories of finished goods and work-in-progress. Increase in inventories of finished goods and work-in-progress comprises net increase or decrease in inventory levels of finished goods of APIs and intermediates.

Other manufacturing expenses. Other manufacturing expenses primarily comprise consumption of stores and spares, conversion charges, factory maintenance, effluent treatment expenses, power and fuel costs, repairs and maintenance for plant and machinery and buildings and product development expenses.

Employee benefits expenses. Employee benefits expenses comprise salaries, allowances and wages, contributions to provident and other funds, gratuity expenses, employee stock option charges, managerial remuneration, recruitment and training expenses and staff welfare expenses.

Operating and selling expenses. Operating and selling expenses primarily include rent expenses, rates and taxes, office maintenance charges, insurance costs, consultancy and other professional charges, travelling and conveyance, business promotion and advertisement expenses, carriage outward and commission on sales.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the financial years 2016, 2015 and 2014, the components of which are also expressed as a percentage of total revenue for such periods:

	Financial Year					
	2016		2015		2014	
	(₹ in millions)	(% of Total Revenue)	(₹ in millions)	(% of Total Revenue)	(₹ in millions)	(% of Total Revenue)
INCOME						
Revenue from Operations (Gross)	18,171.80	101.4	13,379.24	98.3	11,656.86	99.8
Less: Excise Duty	334.08	1.9	113.34	0.8	59.69	0.5
Revenue from Operations (Net)	17,837.72	99.6	13,265.90	97.5	11,597.17	99.2
Other Income	75.93	0.4	340.71	2.5	88.17	0.8
Total Revenue	17,913.65	100.0	13,606.61	100.0	11,685.34	100.0
EXPENSES						
Cost of Materials Consumed	10,182.88	56.8	9,066.30	66.6	7,882.88	67.5
Purchase of Traded Goods	149.50	0.8	61.85	0.5	79.01	0.7
Increase in Inventories of Finished Goods and Work-in-Progress	(250.78)	(1.4)	(844.53)	(6.2)	(702.93)	(6.0)
Other Manufacturing Expenses	1,553.56	8.7	1,232.39	9.1	776.61	6.6
Employee Benefits Expenses	1,897.49	10.6	1,328.20	9.8	1,041.15	8.9
Operating and Selling Expenses	583.25	3.3	419.98	3.1	431.80	3.7
Depreciation and Amortization	921.88	5.1	615.26	4.5	328.80	2.8
Finance Expenses	1,200.25	6.7	1,061.57	7.8	639.47	5.5
Restated Profit Before Tax	1,675.62	9.4	665.69	4.9	1,208.55	10.3
Total Tax Expense/(Credit)	345.09	1.9	(15.51)	(0.1)	236.38	2.0
Share of results of associate	(4.02)	-	2.49	-	-	-
Restated Profit for the year	1,326.51	7.4	683.69	5.0	972.17	8.3

The following table sets forth revenue from sales of APIs in the therapeutic areas we focus on for the financial

years 2016, 2015 and 2014, the components of which are also expressed as a percentage of total revenue for such periods:

Therapeutic Area	Financial Year					
	2016		2015		2014	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
ARV	12,619.09	70.4	10,775.55	79.2	9,302.21	79.6
Hepatitis C	1,970.98	11.0	231.38	1.7	-	-
Oncology	1,413.38	7.9	1,261.49	9.3	1,081.64	9.3

Financial Year 2016 compared to Financial Year 2015

Our results of operations for the financial year 2016 were particularly affected by the following factors:

- an increase in the volume of APIs and intermediates sold, and as such an increase in our revenues from the sale of, and expenses relating to the manufacturing of, these products;
- the successful completion of contract manufacturing services for certain customers; and
- our profit sharing from NATCO from sale of Hepatitis C formulations.

Total Revenue. Our total revenue increased by 31.7% to ₹17,913.65 million for the financial year 2016 from ₹13,606.61 million for the financial year 2015, primarily due to an increase in revenue from operations.

Revenue from Operations (Gross). Our revenue from operations (gross) increased by 35.8% to ₹18,171.80 million for the financial year 2016 from ₹13,379.24 million for the financial year 2015, primarily due to an increase in revenue from sale of products.

Our revenue from the sale of products increased by 33.8% to ₹17,648.39 million for the financial year 2016 from ₹13,190.32 million for the financial year 2015, primarily due to:

- an increase in income from the sale of APIs and intermediates by 33.3% to ₹17,487.02 million for the financial year 2016 from ₹13,121.05 million for the financial year 2015, primarily due to an increase in the volume of APIs and intermediates sold during the financial year 2016; Efavirenz and its intermediates, intermediates of Tenofovir Disoproxil Fumarate and Sofosbuvir primarily contributed to the increase in products sold during the financial year 2016; we sold 1,688.83 MT of APIs and intermediates during the financial year 2016 as compared to 1,308.47 MT of APIs and intermediates during the financial year 2015; and
- an increase in income from the sale of traded goods to ₹161.37 million for the financial year 2016 from ₹69.27 million for the financial year 2015; primarily due to an increase in the volume of traded goods sold during the financial year 2016; traded goods sold comprised chemicals and we sold 618.39 MT of traded goods during the financial year 2016 as compared to 185.13 MT of traded goods during the financial year 2015.

Our revenues from the sale of services, which comprised contract research services, increased to ₹240.75 million for the financial year 2016 from ₹66.06 million for the financial year 2015. Such services primarily related to hormonal products in our synthesis business and were to an entity in the Aspen Group.

Our other operating revenue increased to ₹282.66 million for the financial year 2016 from ₹122.86 million for the financial year 2015, primarily on account of an increase in export and other incentives to ₹162.14 million for the financial year 2016 from ₹29.85 million for the financial year 2015 as a result of the increase in exports, and an increase in others to ₹106.60 million for the financial year 2016 from ₹84.31 million for the financial year 2015, primarily reflecting a minimum guarantee payment from the Aspen Group in connection with a dedicated manufacturing block.

Our revenue from operations (net) was ₹17,837.72 million for the financial year 2016 as a result of excise duty of ₹334.08 million and our revenue from operations (net) was ₹13,265.90 million for the financial year 2015 as a result of excise duty of ₹113.34 million.

Other Income. Our other income decreased by 77.7% from ₹340.71 million for the financial year 2015 to ₹75.93 million for the financial year 2016, primarily on account of a reduction in net gain on foreign exchange

fluctuations from ₹181.89 million for the financial year 2015 to ₹46.40 million for the financial year 2016.

Expenses

Cost of Materials Consumed. Cost of materials consumed increased by 12.3% to ₹10,182.88 million for the financial year 2016 from ₹9,066.30 million for the financial year 2015. This increase was primarily on account of expenses incurred to purchase greater volumes of raw material due to an overall increase in the manufacturing and sale of our API products.

Purchase of Traded Goods. Expenses for the purchase of traded goods increased to ₹149.50 million for the financial year 2016 from ₹61.85 million for the financial year 2015, primarily due to an increase in the volume of traded goods sold by us.

Increase in Inventories of Finished Goods and Work-in-Progress. Increase in inventories of finished goods and work-in-progress was ₹250.78 million for the financial year 2016 as compared to ₹844.53 million for the financial year 2015, primarily attributable to an increase in production volumes of our products.

Other Manufacturing Expenses. Other manufacturing expenses increased by 26.1% to ₹1,553.56 million for the financial year 2016 from ₹1,232.39 million for the financial year 2015, primarily due to an increase in power and fuel expenses to ₹579.55 million for the financial year 2016 from ₹498.62 million for the financial year 2015, an increase in consumption of stores and spares to ₹174.01 million for the financial year 2016 from ₹123.71 million for the financial year 2015 and an increase in conversion charges to ₹302.35 million for the financial year 2016 from ₹251.36 million for the financial year 2015. The increase in these expenses was primarily due to an increase in the production volume of our products.

Employee Benefits Expenses. Employee benefits expenses increased by 42.9% to ₹1,897.49 million for the financial year 2016 from ₹1,328.20 million for the financial year 2015, primarily as a result of an increase in our number of employees as a result of the growth in our business and operations and annual compensation increments given to our employees. Our number of employees increased to 2,267 employees as of March 31, 2016 from 1,889 employees as of March 31, 2015.

Operating and Selling Expenses. Operating and selling expenses increased by 38.9% to ₹583.25 million for the financial year 2016 from ₹419.88 million for the financial year 2015, primarily due to an increase in commission on sales to ₹48.55 million for the financial year 2016 from ₹12.73 million for the financial year 2015, an increase in rent paid to ₹49.48 million for the financial year 2016 from ₹25.07 million for the financial year 2015 in connection with leasing additional space for our corporate office, an increase in travelling and conveyance expenses to ₹73.57 million for the financial year 2016 from ₹50.37 million for the financial year 2015 and an increase in advances and bad debts written off to ₹16.56 million for the financial year 2016 from ₹0.99 million for the financial year 2015 due to the writing off of advance payment of ₹11.00 million given to a contract manufacturing vendor in financial year 2016.

Depreciation and Amortization. Our depreciation and amortization expenses increased by 49.8% to ₹921.88 million for the financial year 2016 from ₹615.26 million for the financial year 2015, primarily due to an increase in our fixed assets of buildings and plant and equipment at our FDF manufacturing facility at Unit 2 and the API manufacturing facility at Unit 3.

Finance Expenses. Our finance expenses increased by 13.1% to ₹1,200.25 million for the financial year 2016 from ₹1,061.57 million for the financial year 2015, primarily due to an increase in interest expense on term loans to ₹476.66 million for the financial year 2016 from ₹360.85 million for the financial year 2015 and an increase in interest expense on working capital loans to ₹493.89 million for the financial year 2016 from ₹444.49 million for the financial year 2015, as a result of an increase in average amount of outstanding indebtedness during the financial year 2016.

Total Tax Expense. Our total tax expense was ₹345.09 million for the financial year 2016 as compared to a tax credit of ₹15.51 million that we received for the financial year 2015. This was on account of an increase in our current tax expenses to ₹380.66 million for the financial year 2016 from ₹152.25 million for the financial year 2015 and a deferred tax charge of ₹345.09 million for the financial year 2016 as compared to a deferred tax credit of ₹15.51 million for the financial year 2015, which was partially offset by an increase in minimum alternate tax credit entitlement to ₹380.66 million for the financial year 2016 from ₹152.25 million for the financial year 2015.

Restated Profit for the year. Our restated profit for the year increased by 94.0% to ₹1,326.51 million for the financial year 2016 from ₹683.69 million for the financial year 2015.

Financial Year 2015 compared to Financial Year 2014

Our results of operations for the financial year 2015 were particularly affected by the following factors:

- an increase in the volume of APIs and intermediates sold, and as such an increase in our revenues from the sale of, and expenses relating to the manufacturing of, these products;
- the Hudhud cyclone and the associated repair work leading to a shutdown of our Unit 1 and Unit 3 manufacturing facility for 20 days;
- the adverse effect of a change in the ARV regimen in South Africa; and
- expenses incurred to develop Units 2 and 3 manufacturing facilities and costs incurred in connection with setting up our FDF business.

Total Revenue. Our total revenue increased by 16.4% to ₹13,606.61 million for the financial year 2015 from ₹11,685.34 million for the financial year 2014, primarily due to an increase in revenue from operations.

Revenue from Operations (Gross). Our revenue from operations (gross) increased by 14.8% to ₹13,379.24 million for the financial year 2015 from ₹11,656.86 million for the financial year 2014, primarily due to an increase in revenue from sale of products.

Our revenue from the sale of products increased by 16.2% to ₹13,190.32 million for the financial year 2015 from ₹11,349.80 million for the financial year 2014, primarily due to:

- an increase in income from the sale of APIs and intermediates by 16.5% to ₹13,121.05 million for the financial year 2015 from ₹11,261.29 million for the financial year 2014 as a result of an increase in the volume of APIs and intermediates sold during the financial year 2015; Efavirenz and its intermediates and APIs in the Oncology therapeutic area primarily contributed to the increase in products sold during the financial year 2015; we commenced the production and sale of APIs in Hepatitis C therapeutic area in the financial year 2015; we sold 1,308.47 MT of APIs and intermediates during the financial year 2015 as compared to 1,131.14 MT of APIs and intermediates during the financial year 2014, partially offset by, a decrease in income from the sale of traded goods to ₹69.27 million for the financial year 2015 from ₹88.51 million for the financial year 2014; primarily due to a decrease in the volume of traded goods sold during the financial year 2015; traded goods sold comprised chemicals and we sold 185.13 MT of traded goods during the financial year 2014 as compared to 114.85 MT of traded goods during the financial year 2015.

Our revenues from the sale of services, which comprised contract research services, decreased from ₹154.81 million for the financial year 2014 to ₹66.06 million for the financial year 2015, primarily on account of fewer new contracts received. Our revenue from software services was ₹117.14 million for the financial year 2014 as compared to ₹0 for the financial year 2015 as a result of the sale of the informatics division of our Company to Laurus Infosystems (India) Private Limited, a related party, on February 28, 2014 on a going concern basis in accordance with an independent valuation, for a total consideration of ₹32.50 million.

Our other operating revenue increased to ₹122.86 million for the financial year 2015 from ₹35.11 million for the financial year 2014, primarily on account of an increase in export and other incentives to ₹29.85 million for the financial year 2015 from ₹8.47 million for the financial year 2014 and in increase in others to ₹84.31 million for the financial year 2015 from ₹20.81 million for the financial year 2014, primarily reflecting a minimum guarantee payment from the Aspen Group in connection with a dedicated manufacturing block.

Our revenue from operations (net) was ₹13,265.90 million for the financial year 2015 as a result of excise duty of ₹113.34 million and our revenue from operations (net) was ₹11,597.17 million for the financial year 2014 as a result of excise duty of ₹59.69 million.

Other Income. Our other income increased to ₹340.71 million for the financial year 2015 from ₹88.17 million for the financial year 2014, primarily due to an increase in net gain on foreign exchange fluctuations to ₹181.89 million for the financial year 2015 from ₹40.65 million for the financial year 2014 and an increase in insurance claim receivable to ₹118.07 million for the financial year 2015 from ₹2.21 million for the financial year 2014, in connection with the losses incurred by us due to the Hudhud cyclone affecting Visakhapatnam.

Expenses

Cost of Materials Consumed. Cost of materials consumed increased by 15.0% to ₹9,066.30 million for the financial year 2015 from ₹7,882.88 million for the financial year 2014. This increase was primarily on account of expenses incurred to purchase greater volumes of raw materials due to an overall increase in the manufacturing and sale of our API products.

Purchase of Traded Goods. Expenses for the purchase of traded goods decreased by 21.7% from ₹79.01 million for the financial year 2014 to ₹61.85 million for the financial year 2015, primarily due to a decrease in the volume of traded goods sold by us.

Increase in Inventories of Finished Goods and Work-in-Progress. Increase in inventories of finished goods and work-in-progress was ₹844.53 million for the financial year 2015 as compared to ₹702.93 million for the financial year 2014, primarily attributable to an increase in production volumes of our products.

Other Manufacturing Expenses. Other manufacturing expenses increased by 58.7% to ₹1,232.39 million for the financial year 2015 from ₹776.61 million for the financial year 2014, primarily due to an increase in power and fuel expenses to ₹498.62 million for the financial year 2015 from ₹350.30 million for the financial year 2014, an increase in consumption of stores and spares to ₹123.71 million for the financial year 2015 from ₹53.58 million for the financial year 2014 and an increase in conversion charges to ₹251.36 million for the financial year 2015 from ₹122.13 million for the financial year 2014. The increase in these expenses was primarily due to an increase in the production volume of our products.

Employee Benefits Expenses. Employee benefits expenses increased by 27.6% to ₹1,328.20 million for the financial year 2015 from ₹1,041.15 million for the financial year 2014, primarily as a result of an increase in our number of employees as a result of the growth in our business and operations annual and compensation increments given to our employees. Our number of employees increased to 1,889 employees as of March 31, 2015 from 1,585 employees as of March 31, 2014.

Operating and Selling Expenses. Operating and selling expenses decreased marginally by 2.8% from ₹431.80 million for the financial year 2014 to ₹419.88 million for the financial year 2015.

Depreciation and Amortization. Our depreciation and amortization expenses increased by 87.1% to ₹615.26 million for the financial year 2015 from ₹328.80 million for the financial year 2014, primarily due to an increase in our fixed assets of buildings and plant and equipment at our API manufacturing facility at Unit 3.

Finance Expenses. Our finance expenses increased by 66.0% to ₹1,061.57 million for the financial year 2015 from ₹639.47 million for the financial year 2014, primarily due to an increase in interest expense on term loans to ₹360.85 million for the financial year 2015 from ₹154.10 million for the financial year 2014 and an increase in interest expense on working capital loans to ₹444.49 million for the financial year 2015 from ₹300.45 million for the financial year 2014, as a result of an increase in average amount of outstanding indebtedness during the financial year 2015.

Total Tax Expense. We received a total tax credit of ₹15.51 million for the financial year 2015 as compared to a total tax expense of ₹236.38 million for the financial year 2014. For the financial year 2015, we had a current tax expense of ₹152.25 million and a deferred tax credit of ₹15.51 million, which was offset by a minimum alternate tax credit entitlement of ₹152.25 million. For the financial year 2014, we had a current tax expense of ₹262.44 million and a deferred tax charge of ₹236.38 million, partially offset by a minimum alternate tax credit entitlement of ₹262.44 million.

Restated Profit for the year. Our restated profit for the year decreased by 29.7% from ₹972.17 million for the financial year 2014 to ₹683.69 million for the financial year 2015.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Financial Year		
	2016 (₹ in millions)	2015 (₹ in millions)	2014 (₹ in millions)
Net Cash Flow from/(used in) Operating Activities	1,932.99	(647.06)	1,212.27

Net Cash Flow (used in) Investing Activities	(3,251.69)	(3,969.55)	(3,118.23)
Net Cash Flow from Financing Activities	1,049.58	4,860.81	2,030.35
Net increase/(decrease) in cash and cash equivalents	(269.12)	244.20	124.39

Operating Activities

Net cash generated from operating activities was ₹1,932.99 million for the financial year 2016. While our restated profit before tax was ₹1,675.62 million for the financial year 2016, we had an operating profit before working capital changes of ₹3,742.18 million, primarily as a result of interest expense of ₹1,038.13 million and depreciation and amortization of ₹921.88 million. Our working capital adjustments to our operating profit for the financial year 2016 primarily consisted of increase in trade payables of ₹210.02 million and increase in other current liabilities of ₹130.17 million, which was partially offset by an increase in trade receivables of ₹1,611.64 million and an increase in inventories of ₹115.96 million. The increase in trade receivables was as a result of the increase in revenue from operations.

Net cash used in operating activities was ₹647.06 million for the financial year 2015. While our restated profit before tax was ₹665.69 million for the financial year 2015, we had an operating profit before working capital changes of ₹2,028.50 million, primarily as a result of interest expense of ₹862.43 million and depreciation and amortization of ₹615.26 million. Our working capital adjustments to our operating profit for the financial year 2015 primarily consisted of an increase in inventories of ₹1,473.99 million, an increase in trade receivables of ₹897.41 million and a decrease in other current liabilities of ₹570.35 million, which was partially offset by an increase in other long term liabilities of ₹543.47 million. While the increase in inventories was driven by the revamping of supply chain for distribution of ARV drugs and the commencement of the production of Hepatitis C API products, the increase in trade receivables was as a result of the increase in revenue from operations.

Net cash generated from operating activities was ₹1,212.27 million for the financial year 2014. While our restated profit before tax was ₹1,208.55 million for the financial year 2014, we had an operating profit before working capital changes of ₹2,039.17 million, primarily as a result of interest expense of ₹514.56 million and depreciation and amortization of ₹328.80 million. Our working capital adjustments to our operating profit for the financial year 2014 primarily consisted of increase in trade payables of ₹1,002.63 million and increase in other current liabilities of ₹664.67 million, which was partially offset by an increase in inventories of ₹1,719.07 million and an increase in trade receivables of ₹392.96 million.

Investing Activities

Net cash used in investing activities was ₹3,251.69 million for the financial year 2016, primarily consisting of purchase of tangible assets, including intangible assets, capital work in progress and capital advances of ₹3,369.83 million at our FDF manufacturing facility at Unit 2 and the API manufacturing facility at Unit 3, partially offset by proceeds from bank deposits of ₹112.46 million.

Net cash used in investing activities was ₹3,969.55 million for the financial year 2015, primarily consisting of purchase of tangible assets, including intangible assets, capital work in progress and capital advances of ₹3,831.15 million at our API manufacturing facility at Unit 3, investments in bank deposits of ₹76.12 million and purchase of investment of ₹71.98 million.

Net cash used in investing activities was ₹3,118.23 million for the financial year 2014, primarily consisting of purchase of tangible assets, including intangible assets, capital work in progress and capital advances of ₹3,090.85 million at our API manufacturing facility at Unit 1, and investments in bank deposits of ₹56.92 million, partially offset by proceeds from the sale of fixed assets of ₹32.67 million.

Financing Activities

Net cash generated from financing activities was ₹1,049.58 million for the financial year 2016, primarily consisting of proceeds from long term borrowings of ₹2,898.24 million and proceeds from short term borrowings (net) of ₹495.46 million, partially offset by repayment of long term borrowings of ₹1,341.31 million and interest payments of ₹1,032.55 million.

Net cash generated from financing activities was ₹4,860.81 million for the financial year 2015, primarily consisting of proceeds from issue of Compulsorily Convertible Participatory Cumulative Preference Shares -

Series C of ₹2,942.90 million, proceeds from long term borrowings of ₹2,748.09 million and proceeds from short term borrowings (net) of ₹1,184.60 million, partially offset by repayment of long term borrowings of ₹1,187.74 million and interest payments of ₹841.69 million.

Net cash generated from financing activities was ₹2,030.35 million for the financial year 2014, primarily consisting of proceeds from long term borrowings of ₹1,576.27 million and proceeds from short term borrowings (net) of ₹1,360.85 million, partially offset by interest payments of ₹512.14 million and repayment of long term borrowings of ₹434.12 million.

Financial Indebtedness

The following table sets forth our financial indebtedness as of March 31, 2016:

Particulars	As of March 31, 2016 (₹in millions)
Long Term Borrowings	
Non-Current portion	4,606.28
Current Maturities	871.08
	5,477.36
Short Term Borrowings	4,814.19
Interest accrued but not due on borrowings	45.92
Total	10,337.47

Further, as of June 30, 2016, our financial indebtedness was ₹11,152.85 million (including foreign currency loans of USD 41.82 million). See “Financial Indebtedness” for a description of broad terms of our indebtedness on page 338 of this Draft Red Herring Prospectus.

In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition.

Credit Ratings

On July 6, 2016, Credit Analysis and Research Limited assigned a rating of ‘CARE A+’ to our long term bank facilities and ‘CARE A1’ to our short term bank facilities.

Capital and Other Commitments

As of March 31, 2016, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹1,179.00 million.

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2016:

As of March 31, 2016					
Other contractual obligations	Payments due by period				
	Total	Less than 1 year	1 -3 years	3 – 5 years	More than 5 years
Debt obligations					
Long term	5,523.28	917.00	3,251.17	1,155.08	200.02
Short term	4,814.19	-	-	-	-
Operating lease obligations	0.15	0.15	-	-	-
Purchase obligations	303.08	303.08	-	-	-
Other long-term liabilities	496.76	55.20	110.39	110.39	220.78
Total	11,137.46	1,275.42	3,361.56	1,265.47	420.80

(₹in million)

Note: Working capital loans payment is not considered since these are renewable on year to year basis

Capital Expenditure

For the financial year 2016, we capitalized ₹3,776.67 million, primarily in plant and equipment and buildings. For the financial year 2015, we capitalized ₹3,645.56 million, primarily in plant and equipment and buildings. For the financial year 2014, we capitalized ₹2,997.59 million, primarily in plant and equipment, buildings and freehold land. During the financial year 2017, we expect to incur planned capital expenditures of approximately ₹4,565.96 million towards the capacity expansion of our facilities and maintenance costs.

Contingent Liabilities and Commitments

The following table sets forth our contingent liabilities as of March 31, 2016:

Particulars	As of March 31, 2016 (₹ in millions)
Outstanding bank guarantees (excluding performance obligations)	50.15
Bills Discounted	480.15
Demand for direct taxes under appeal	10.10
Total	540.4

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, foreign exchange risk, interest rate risk, credit risk and inflation risk and in the normal course of our business.

Commodity risk

We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect our business, cash flows and results of operations. We do not currently engage in any hedging activities against commodity price risk. For further information, see “Risk Factors – Internal Risk Factors - Any delay, interruption or reduction in the supply of raw materials and equipment to manufacture our products may adversely affect our business, results of operations, financial condition and cash flows” on page 21.

Foreign Exchange Risk

We are exposed to foreign exchange risk principally as a result of debt availed in foreign currency, exposure arising from transactions relating to purchases, revenues and expenses to be settled in other currencies and net investments in our foreign subsidiary that are in foreign currencies.

Changes in currency exchange rates influence our results of operations and cash flows. Our exports and imports are primarily in U.S. Dollars and Euros. Although our exposure to exchange rate fluctuations is partly hedged through the exports of products and the import of the necessary raw materials and production equipment, and we hedge a portion of the resulting net foreign exchange position through the use of forward exchange contracts and derivatives, we are still affected by fluctuations in exchange rates for certain currencies, particularly the U.S. Dollar and the Euro. As of March 31, 2016, our principal amount of unhedged borrowing obligations denominated in foreign currency was US\$19.45 million. For further information, see “Risk Factors – Internal Risk Factors - We face foreign exchange risks that could adversely affect our results of operations” on page 31.

Interest rate risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations and cash flows.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms of 30 to 120 days with our customers. As of March 31, 2016, 2015 and 2014, our trade receivables were ₹4,448.57 million, ₹2,850.66 million and ₹1,948.76 million, respectively.

Inflation risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs.

Unusual or Infrequent Events or Transactions

In October 2014, cyclone Hudhud severely affected Vishakhapatnam and we were forced to shut production at our Unit 1 and Unit 3 for 20 days.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “Significant Factors Affecting Our Results of Operations” and the uncertainties described in the section “Risk Factors” on pages 342 and 17, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in “Risk Factors” and this section, there are no known factors that might affect the future relationship between cost and revenue.

Suppliers

We are currently sourcing a significant portion of our raw materials from multiple vendors in China except for a few materials which are sourced from single vendors. We faced supply disruptions in financial year 2015 for certain raw materials and have since adopted a policy to maintain safety stock of raw materials in case of any shortages in raw materials sourced from a limited number of vendors.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections “Risk Factors” and “Our Business” on pages 17 and 161, respectively.

Seasonality of Business

Our business is not seasonal in nature.

New Products or Business Segments

Except as disclosed in “Our Business” on page 161, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Developments Occurring after March 31, 2016

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Recent Accounting Pronouncements

Our Company prepares its annual and interim financial statements under Indian GAAP. Our Company is required to prepare annual and interim financial statements under Ind-AS for the current financial year, as required under Section 133 of the Companies Act 2013 read with Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016. Given that Ind-AS is different in many respects from Indian GAAP, under which we currently prepare our financial statements, the transition to Ind-AS may have a significant impact on our financial results and position. For further details, see “Risk Factors – External Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP, Ind-AS and IFRS, which may be material to investors' assessments of our financial condition” on page 34.

For details on the significant differences between Indian GAAP and Ind-AS, see “Summary of Significant Differences between Indian GAAP and Ind-AS” beginning on page 360.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The unconsolidated and consolidated financial statements and other financial information of our Company have been prepared in accordance with standards under Indian GAAP (existing Indian GAAP) i.e., before considering the amendments in the Accounting Standards as amended by the Companies (Accounting Standards) Amendment Rules 2016 issued on 30 March 2016, which differs in certain material respects from Ind AS.

The areas in which differences between existing Indian GAAP vis-a-vis Ind AS could be significant to the financial position are summarised below. Ind AS is an exhaustive sets of standards, rules and interpretations, and no assurance can be given that the differences listed below cover all possible differences. Further, no attempt has been made to identify differences between existing Indian GAAP and Ind AS as a result of prescribed changes in accounting standards that will be effective in future periods. Regulatory bodies that promulgate the standards have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between the existing Indian GAAP and the Ind AS that may affect the financial information as a result of transactions or events that may occur in the future.

Certain principal differences between Indian GAAP and Ind AS that may have a significant effect on our financial statements are summarized below. No financial statements prepared under Ind AS or numerical reconciliation of the financial condition, cash flows and results of operations under Indian GAAP and under Ind AS have been included in the Draft Red Herring Prospectus (DRHP). Our management has also not quantified any of the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that our financial statements would not be significantly different if prepared in accordance with Ind AS.

Potential investors should consult their own advisers for an understanding of the principal differences between the existing Indian GAAP and the Ind AS, and how these differences might affect the financial statements appearing in this DRHP.

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
1.	Ind AS 1	Presentation of Financial Statements	Statement of Change in Equity: Under Indian GAAP, a statement of changes in equity is not required. Movements in share capital, retained earnings and other reserves are presented in the Schedules to Financial Statements. Other Comprehensive Income: There is no concept of “other comprehensive income” under Indian GAAP, which is required under Ind AS. The items that would form part of Other Comprehensive Income under Ind AS are included in the income statement under Indian GAAP.	Statement of Change in Equity: Ind AS-1 requires the presentation of a statement of changes in equity showing: a) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders. b) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately. c) Effects of retrospective application or restatement on each component of equity. d) For each component of equity, a reconciliation between the opening and closing balances separately disclosing each change. Other Comprehensive Income: Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind ASs.

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			Other disclosures: There are no specific disclosure requirements under Indian GAAP for : (a) Critical judgments made by the management in applying accounting policies; (b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period; and (c) Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.	Other disclosures: Ind AS-1 requires disclosure of: (a) Critical judgments made by the management in applying accounting policies; (b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period; and (c) Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.
			Extraordinary items: Under Indian GAAP Extraordinary items are to be disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Extraordinary items: Ind AS prohibits the presentation of any items of income or expense as extraordinary, either on the face of the income statement or in the notes to accounts.
			Change in Accounting Policies: Indian GAAP requires changes in accounting policies should be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	Change in Accounting Policies: Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
			Dividends: Under Indian GAAP, proposed dividend is shown as appropriation of profit in profit and loss account balance forming part of reserves.	Dividends: As per Ind AS-1 proposed dividend is not to be recognised. The presentation of such disclosures in profit and loss account balance is not permitted until approved by the shareholders at an annual general meeting.

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			Errors: Under Indian GAAP, prior period errors are included in determination of profit or loss for the period in which the error is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.	Errors: As per Ind AS 8 material prior period errors shall be corrected retrospectively in the first set of financial statements either by restating the comparative amounts for the prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity.
2.	Ind AS 12	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e., based on the differences between carrying value of the assets/ liabilities and their respective tax base.
3.	Ind AS 16	Property, plant and equipment – Reviewing depreciation and residual value	Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets as specified under schedule II to the Companies Act or as estimated by the Management based on technical evaluation.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.
4.	Ind AS 17	Leases	Leasehold Land: Leasehold land is recorded and classified as fixed assets and is excluded from lease standard.	Leasehold Land: Land lease is classified as operating or finance as per the criteria under Ind AS 17. When a lease includes both land and building elements, an entity assesses the classification of each element as a finance or operating lease separately.
			Operating Lease Rentals: Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit.	Operating Lease Rentals: Under Ind AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless either of the below: a) another systematic basis is more representative of the time pattern of the user's benefit, or b) the payments to the lessor are structured to increase in line with expected general inflation for cost increases.
			Determining whether an arrangement contains a lease: There is no such requirement if it does not take the legal form of a lease.	Determining whether an arrangement contains a lease: An arrangement that does not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which conveys the

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
				right to use the assets is accounted for as a lease in accordance with Ind AS 17.
5.	Ind AS 19	Employee Benefits - Actuarial gains and losses:	Under Indian GAAP, actuarial valuation is used to determine the present value of benefits obligation and is carried out every year. The fair value of the benefit obligations are determined at every balance sheet date. All actuarial gains or losses are recognized in the statement of profit and loss account.	Under Ind AS, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in Other Comprehensive Income.
6.	Ind AS 21	The Effects of Changes in Foreign Exchange Rates - Functional and presentation currency:	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.	Functional currency is the currency of primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.
		Translation of foreign subsidiaries	Under Indian GAAP, the translation of financial statements of a foreign operation to the reporting currency of the parent/investor depends on the classification of that operation as integral or non-integral. In the case of an integral foreign operation, monetary assets are translated at closing rate. Non-monetary items are translated at historical rate if they are valued at cost. Non-monetary items which are carried at fair value or other similar valuation are reported using the exchange rates that existed when the values were determined. Income and expense items are translated at actual/average rate. Exchange differences are taken to the statement of profit and loss. For non-integral foreign operations, closing rate method should be followed (i.e., all assets and liabilities are to be translated at closing rate while profit and loss account items are translated at actual/average rates). The resulting exchange difference is taken to reserve and is reclassified to profit and loss on the disposal of the non-integral foreign	Under Ind AS, assets and liabilities should be translated from the functional currency to the presentation currency at the closing rate at the date of the statement of financial position, income and expenses at actual/average rates for the period; exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity. These are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized. Treatment of disposal depends on whether control is lost or not. Thus, if control is lost, the exchange difference attributable to the parent is reclassified to profit or loss from foreign currency translation reserve in other comprehensive income.

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			operation.	
7.	Ind AS 108	Segment Disclosures - Determination of segments:	Currently under Indian GAAP, segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined. Disclosures are required based on classification of segment as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting segments.	Ind AS 108 requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters (the 'management approach'). Such components (operating segments) are identified on the basis of internal reports that the entity's Chief Operating Decision Maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance. Requires disclosure of (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenues from each customer is 10% or more of total segment revenues.
8.	Ind AS 109	Classification of Financial Instruments and subsequent measurement	Currently under Indian GAAP, the Company classifies its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values.	Ind AS 109 requires all financial assets to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, fair value through profit and loss (FVTPL), or recognized in other comprehensive income under Fair value through other comprehensive income (FVTOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables, cash and bank balances etc., There are two measurement categories for financial liabilities – FVTPL and amortized cost.
			Compulsory convertible preference shares: Currently under Indian GAAP, compulsory convertible preference shares are presented under share capital.	Compulsory convertible preference shares: Compulsorily convertible preference shares that meet certain criteria under Ind AS 32 are required to be classified as compound financial instrument under Ind AS pursuant to which the Company will re-classify them into debt and equity components.
			Provision for doubtful debts: Under Indian GAAP, provisions are made for specific receivables	Provision for doubtful debts: In addition to the specific provisions under Indian GAAP, under Ind AS, at

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			based on circumstances such as credit default of customer or disputes with customers. An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flows of the debtors. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	each reporting date, an entity shall assess whether the credit risk on trade receivables has increased significantly since initial recognition. When making the assessment, an entity shall use the Expected Credit Loss model to provide for a loss allowance over and above any provision for doubtful debts in the profit and loss statement. An entity shall measure expected credit losses to reflect the following: • an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
			Derivative & Hedge Accounting: Currently there is no equivalent standard on hedge accounting except in the case of forward exchange contracts within the scope of AS 11 and ICAI Guidance Note on derivatives. Under AS 11, foreign currency forward contract premium/ discount is amortised over the forward contract period. For other derivative contracts, the ICAI Guidance Note (GN) requires an entity to provide for losses in respect of all outstanding derivative contracts by marking them to market at the balance sheet date. The GN also permits the use of hedge accounting if the criteria are met.	Derivative & Hedge Accounting: Derivative contracts are fair valued at the end of each period through P&L unless hedge accounting option is followed. Hedge accounting (recognizing the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measurable, and actually effective. Ind AS 109 provides for three types of hedges: • fair value hedge: if an entity hedges a change in fair value of a recognized asset or liability or firm commitment, the change in fair values of both the hedging instrument and the hedged item are recognized in profit or loss when they occur; • cash flow hedge: if an entity hedges changes in the future cash flows relating to a recognized asset or liability or a highly probable forecast transaction, then the change in fair value of the hedging instrument is recognized in other comprehensive income

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
				until such time as those future cash flows occur. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss in the period of such change; and • hedge of a net investment in a foreign entity: this is treated as a cash flow hedge. A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge.
9.	Ind AS 118	Revenues Measurement: -	Revenue is recognized at the nominal amount of consideration receivable.	Revenue is recognised at fair value of the consideration receivable. Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) tax proceedings, (iv) material litigation, in each case, involving our Company, our Subsidiary, our Associate Company, our Promoters, our Directors, or our Group Entity, and (v) any litigation involving our Company, our Promoters, our Directors, our Subsidiary, our Associate Company or our Group Entity or any other person whose outcome could have a material adverse effect on the position of our Company.

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in the Draft Red Herring Prospectus:

- (a) Criminal and tax proceedings and actions by statutory authorities / regulatory authorities: All criminal and tax proceedings, and actions by statutory / regulatory authorities involving our Company, our Subsidiary, our Associate Company, our Directors, our Promoters or our Group Entity, as the case may be (“**Relevant Parties**”) shall be deemed to be material;
- (b) Pre-litigation notices: Notices received by the Relevant Parties, from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum; and
- (c) De minimis monetary threshold for civil litigation:
 - (i) Civil litigation involving our Company or our Directors or Promoters before any judicial forum and having a monetary impact exceeding the lower of Rs. 10,000,000 (Rupees Ten Million only) and 1% of the consolidated profit after tax of our Company for the Financial Year ended March 31, 2016, shall be considered material. However, in the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company;
 - (ii) Civil litigation involving our Subsidiary or our Associate Company before any judicial forum and having a monetary impact exceeding 1% of its total revenue for the Financial Year ended March 31, 2016 shall be considered material. However, in the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations or performance of our Subsidiary or our Associate Company; and
 - (iii) Civil litigation involving our Group Entity before any judicial forum and having a monetary impact exceeding 1% of the total revenue of the our Group Entity for the Financial Year ended March 31, 2016 shall be considered material. However, in the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations or performance of our Group Entity.

Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company, our Subsidiary or our Associate Company (ii) fines imposed or compounding of offences against our Company, our Subsidiary or our Associate Company (iii) material frauds committed against our Company, in each case, in the preceding five years from the date of this Draft Red Herring Prospectus; (iv) pending proceedings initiated against our Company for economic offences, (v) defaults or non-payment of statutory dues; (vi) legal action taken against our Promoters, by any Ministry/ Department of the Government of India or any statutory authority, during the last five years immediately preceding the year of issue of this Draft Red Herring Prospectus; (vii) matters involving our Company, our Subsidiary and our Associate Company pertaining to violations of securities law; and (viii) outstanding dues to material creditors and material small scale undertakings.

Litigation involving our Company

Civil Litigation against our Company

Our Company issued a legal notice dated July 10, 2009 to Chiral Biosciences Limited (“**Chiral**”) for the infringement of our intellectual property rights with respect to a process involved in the preparation of an intermediate used in the synthesis of Efavirenz. Subsequently, Chiral, filed a suit before the Court of the III Additional Chief Judge, City Civil Court at Hyderabad challenging the said notice and the rights of our Company in relation to the aforesaid process for preparation of the intermediate. The suit was dismissed by the court on March 3, 2011, on grounds of Chiral being absent for the proceedings. Thereafter, Chiral filed a restoration petition, dated April 27, 2012 and an application for condonation of delay dated April 27, 2012. The petition is currently pending before the Court of the III Additional Chief Judge, City Civil Court at Hyderabad. On July 16, 2012, the Indian Patent Office granted our Company the patent rights in relation to such process for a term of 20 years from the date of our application i.e. January 31, 2008.

Civil Litigations by our Company

1. Our Company filed a suit dated April 20, 2015 against Wintac Limited (“**Wintac**”), Sural Jayaprakash Mady, Sural Thammiah Raghavendra Mady, Balasubramaniam Rajalakshmi Arun Eshwar, Ramasamy Anbarasi Thirumoorthi, Kavitha Krishnamoorthy and B.P. Thyagaraj, (collectively, the “**Defendants**”) , before the Additional City Civil Judge at Bengaluru for the recovery of an outstanding amount of approximately ₹13.81 million payable by Wintac to our Company, for the supply of 110 grams of Latanoprost by our Company to Wintac. The matter is currently pending.
2. Our Company filed a company petition bearing no. 112 of 2015, dated April 30, 2015 against Wintac in the High Court of Karnataka, for the winding up of Wintac due to non payment of approximately ₹13.81 million payable by Wintac to our Company, for the supply of products. The matter is currently pending.

Tax proceedings

Except as disclosed below, there are no tax proceedings involving our Company, our Subsidiary, our Associate Company, our Promoter(s), our Directors or our Group Entity:

Tax proceedings involving our Company

Nature of proceedings	Number of proceedings	Amount involved (in ₹million)
Company		
Direct Tax		
(i) Income tax cases	3	10.14*
(ii) Income tax notices	4	0.07
Indirect Tax		
(i) Service tax cases	4	1.25
(ii) VAT cases	3	10.64**
(iii) Customs proceedings	1	Nil***

*In one case a sum of ₹7.05 million has been paid under protest by our Company

**In one case an amount of ₹4.25 million has been paid under protest along with a penalty amount of ₹0.42 million

***Our Company received a summons dated August 11, 2016 under Section 108 of the Customs Act, 1962 from the Directorate of Revenue Intelligence in relation to evasion of customs duty on non-payment of anti-dumping duty foregone. Our Company has already paid a sum of ₹5.60 million as the anti-dumping duty including interest and penalty in favour of the Commissioner of Customs, Kakinada/Vizag/Kandla/Mumbai in this regard. The matter is currently pending

Material frauds committed against our Company

During the Financial Year 2012, our Company noticed certain wrong debits in one of our bank accounts and informed the same to the relevant bank. Upon examination, it was revealed that there were fabrication and forgery of cheques by an unidentified person, which had resulted in withdrawal of funds aggregating to ₹0.98 million. The aforesaid cheques were not issued by our Company and the original cheques were physically available with us and later handed over to the relevant Bank. Our Company had filed a First Information Report against the unidentified person and the bank had also initiated its investigation in this regard. Thereafter, the

fraudulent transfer of the said amount was reversed by the bank on February 19, 2013 and our Company received the entire amount.

Inquiries, inspections or investigations under the Companies Act

There are no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company, our Subsidiary or our Associate Company in the past five years.

Fines imposed or compounding of offences

There are no compounding applications which have been filed by our Company, our Subsidiary or our Associate Company in the last five years. Further, there are no fines that have been imposed on our Company, our Subsidiary or our Associate Company in the last five years.

Litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences.

Defaults and non-payment of statutory dues

There are no instances of defaults and non-payment of statutory dues, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest) by our Company.

Material developments since March 31, 2016

Other than as disclosed in this Draft Red Herring Prospectus, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next 12 months.

Outstanding dues to Creditors

All creditors of the Company to whom the amount due by the Company exceeds ₹124.66 million, i.e., 5% of the total trade payables of the Company as on March 31, 2016, on a consolidated basis based on the Restated Financial Statements, shall be considered material.

The material dues owed to small scale undertakings and other creditors as at March 31, 2016, is set out below:

Material Creditors	Number of cases	Amount involved (in ₹ million)
Small scale undertakings	Nil	Nil
Other Creditors	2	449.51

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at <http://www.lauruslabs.com/investors>. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.lauruslabs.com, would be doing so at their own risk.

GOVERNMENT AND OTHER APPROVALS

Our Company, our Subsidiary and our Associate Company have received the necessary consents, licenses, permissions, registrations and approvals from various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company, our Subsidiary and our Associate Company undertake to obtain all material approvals and licenses and permissions required to operate our and our Associate Company's present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. Additionally, we have made or are in the process of making applications for registrations in relation to our proposed Company's manufacturing facilities. For further details, in connection with the applicable regulatory and legal framework, see "Regulations and Policies" on page 178.

The objects clause of the respective memoranda of association enables our Company, our Subsidiary and our Associate Company to undertake their respective present business activities.

Approvals in relation to our Company

The approvals required to be obtained by our Company include the following:

I. Incorporation details of our Company

1. Certificate of incorporation dated September 19, 2005 issued by the RoC to our Company, in its former name, being Laurus Labs Private Limited.
2. Fresh certificate of incorporation dated February 12, 2007 issued by the RoC to our Company consequent upon conversion into a public limited company and upon change of name to Laurus Labs Limited.
3. Fresh certificate of incorporation dated July 19, 2007 issued by the RoC to our Company consequent upon change of name to Aptuit Laurus Limited.
4. Fresh certificate of incorporation dated July 24, 2007 issued by the RoC to our Company consequent upon conversion into a private limited company and upon change of name to Aptuit Laurus Private Limited.
5. Fresh certificate of incorporation dated February 21, 2012 issued by the RoC to our Company consequent upon change of name to Laurus Labs Private Limited.
6. Fresh certificate of incorporation dated August 16, 2016 issued by the RoC to our Company consequent upon change into a public limited company and upon change of name to Laurus Labs Limited.
7. Our Company was allotted a corporate identification number U24239AP2005PLC047518.

II. Approvals in relation to the Offer

For details, see "Other Regulatory and Statutory Disclosures" on page 373.

III. Approvals under tax laws of our Company

Our Company is required to register itself under various national tax laws and state specific tax laws such as the IT Act, CST Act, state specific sales tax, excise and value added tax legislations. Our Company is also required to pay service tax and state specific professional tax. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

IV. Approvals in relation to our Business Operations

In order to operate our R&D center and kilo lab facility situated in Hyderabad and manufacturing facilities situated in Visakhapatnam, our Company requires various approvals and / or licenses under

various laws, rules and regulations. These approvals and / or licenses include approvals / authorizations from the central and state pollution control boards, licenses under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 for the manufacture, distribution and export of drugs, approvals to operate in Special Economic Zones, licenses to work and operate a factory, license to store compressed gas in cylinders, license to import and store petroleum, licence for storage of solvent, raffinate and slop, license for the use and storage of narcotics / controlled substances, registrations under the Legal Metrology Act, approvals under the Electricity Act, 2003 and relevant rules and regulations, fire NOCs, approvals for the use of boilers under the Boilers Act, approvals for the possession and use of methanol, etc. Our Company has received foreign trade related certificates such as accreditation certificate from Japan and certificates of compliance with Good Manufacturing Practices from the World Health Organization and from various countries including the United States, Hungary and Germany. Our Company has made or are in the process of making renewal applications for licenses, approvals and registrations that have expired in the ordinary course.

V. Foreign trade related approvals

Our Company has obtained the required registrations issued by the Ministry of Commerce and Industry, Government of India allotting Importer-Exporter Code.

VI. Registrations under Employment Laws

Our Company has obtained the relevant shops and establishments registrations and the units/ facility which are required to be registered under the EPF Act, ESI Act, CLRA Act, the Andhra Pradesh (Issuance of Integrated Registration and Furnishing Combined Returns under various labour laws by certain establishments) Act, 2015 and the Industrial Employment (Standing Orders) Act, 1946 have been registered with the relevant authorities. These registrations include those that are one-time registrations and those that are valid only for a fixed period, as specified in the registration certificates. Our Company has made or is in the process of making renewal applications for registrations that have expired in the ordinary course.

VII. Intellectual Property

Trademark:

Our Company has registered the following trademarks:

Sl. No	Trade Mark	Trade Mark No.	Class	Certificate No.
1.	LAURUS	1556253	42	794281
2.	LAURUS	1556254	5	794265
3.	APTUIT LAURUS	1645250	42	864381
4.	APTUIT LAURUS	1645251	5	881344
5.	CAPEPURE	2065209	5	1076339
6.	CURCUPURE TRIO	2133434	5	1092079
7.	LAURUS INFOSYSTEMS	2330619	42	1143903
8.	CHEMIA	2379144	9	1166281

Additionally, our Company has made applications for other trademarks including 'Laurus Labs', 'Laurus Generics', 'Laurus Ingredients', 'Laurus Synthesis' and 'Knowledge.Innovation.Excellence'. However, certain applications have been erroneously abandoned by the Trade Mark Registry. Subsequently, the Controller General of Patents, Designs and Trademarks issued a public notice dated April 04, 2016 to all applicants whose applications had been erroneously treated as abandoned, to send a representation with all details along with sufficient documentary evidence substantiating their case. Accordingly, our Company has made representations and we are currently awaiting a response from the Office of the Controller General Patents, Designs and Trademarks. Further, pursuant to an order passed by the High Court of Delhi dated April 5, 2016, the orders of abandonment passed by the Trade Marks Registry on or after March 20, 2016 have been stayed.

Patents:

As of June 30, 2016, our Company has filed a total of 196 patent applications in several jurisdictions of

which 14 are withdrawn/ abandoned, 150 are pending and 32 patents have been granted across jurisdictions.

VIII. Investment Approvals granted by the FIPB/ RBI

1. Approval of the FIPB dated February 10, 2012 issued to the Company for:
 - (a) transfer of 1,000 Equity Shares and 6,888,690 Series A Preference Shares from Aptuit Singapore to Aptuit;
 - (b) transfer of 4,629,630 Equity Shares from Aptuit to FIL Capital Management; and
 - (c) issuance of 1,973,531 Series B Preference Shares by the Company to FIL Capital Management.
2. Letter dated August 06, 2013 pursuant to which FIPB has taken note of the change in name of the Company from Aptuit Laurus Private Limited to Laurus Labs Private Limited.
3. Approval of the FIPB dated September 30, 2013 and amendment to the approval dated October 15, 2013 issued to the Company for downstream investment by our Company in the Erstwhile Subsidiary by acquisition of 98% of the shareholding of the Erstwhile Subsidiary.
4. Approval of the FIPB dated April 7, 2014, issued to our Associate Company for downstream investment by our Company by subscription to 3,834,908 equity shares of our Associate Company representing 27% of its share capital.
5. Approval of the FIPB dated October 21, 2014 issued to the Company for:
 - (a) issuance of 4,153,399 Series C Preference Shares by the Company to Bluewater;
 - (b) transfer of 2,036,758 Equity Shares from FIL Capital Management to Bluewater; and
 - (c) transfer of 1,694,625 Equity Shares and 163,242 Series B CCPS from certain resident shareholders of the Company to Bluewater.
6. Approval of the FIPB dated February 26, 2015 issued to the Company for allotment of 20,000 employee stock options of ₹10 each, pursuant to ESOP 2011 to Martyn Oliver James Peck, a non-resident employee of the Company.

Approvals in relation to our Subsidiary

We currently have one Subsidiary in the United States. In order to carry out its operations in the United States, which includes operating and maintaining a R&D center at Greater Boston, our Subsidiary requires various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses includes general permit for low flow and low pollutant dischargers, permit for storage of certain flammable liquids, etc. Our Subsidiary has obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate its business. Certain approvals may have lapsed in their normal course and our Subsidiary has either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Approvals in relation to our Associate Company

In order to carry out its operations in India, which includes operating and maintaining a manufacturing facility in Visakhapatnam and a manufacturing facility in Hyderabad, our Associate Company requires various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include approvals/ authorizations from the state pollution control boards, licenses and GMP certification under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 for the manufacture, distribution and sale of drugs, licenses to work and operate a factory, license for the sale, purchase, consumption and storage of narcotics/ controlled substances, registrations under the Legal Metrology Act, approvals under the Electricity Act, 2003 and relevant rules and regulations, approvals for the use of boilers under the Boilers Act, approvals for the sale and use of methanol, registrations under various employment laws, etc. Our Associate Company has made or is in the process of making renewal applications for licenses, approvals and registrations that have expired in the ordinary course.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on August 9, 2016 and our Shareholders have approved the Offer pursuant to a special resolution passed at the EGM held on August 11, 2016 under Section 62(1)(c) of the Companies Act, 2013.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see “The Offer” on page 57.

Each Selling Shareholder has confirmed that it is the legal and beneficial owner of the Equity Shares being offered by it under the Offer for Sale.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, our Group Entity, the persons in control of our Company and the Selling Shareholders have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with the securities market in any manner.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

Prohibition by RBI

Neither our Company, nor our Promoters, the relatives of the Promoters, Directors, the Group Entity, nor the Selling Shareholders have been identified as Wilful Defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Financial Statements prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the year ended March 31, 2016; and
- Our Company has not changed its name within the last one year other than for conversion from a private limited company to a public limited company.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31 are set forth below:

(₹In Million, unless otherwise stated)

Particulars	Financial year ended March 31, 2016		Financial year ended March 31, 2015		Financial year ended March 31, 2014		Financial year ended March 31, 2013	Financial year ended March 31, 2012
	Unconsolidated	Consolidated	Unconsolidated	Consolidated	Unconsolidated	Consolidated	Unconsolidated	Unconsolidated
Net Tangible Assets, as restated	23,019.60	22,966.58	18,864.34	18,822.00	12,683.80	12,681.97	6,997.00	5,125.91
Monetary Assets, as restated	256.88	295.52	645.47	678.79	348.60	350.14	171.92	129.06
Monetary Assets, as restated as a % of net tangible assets, as restated	1.12%	1.29%	3.42%	3.61%	2.75%	2.76%	2.46%	2.52%
Pre-tax Operating Profit, as restated	2,888.23	2,783.54	1,433.95	1,379.94	1,752.19	1,752.19	1,214.41	589.83
Net Worth, as restated	8,673.95	8,518.19	7,272.68	7,221.00	3,584.17	3,584.17	2,592.99	1,691.86

Source: Restated Financial Statements

- (i) Net tangible assets means the sum of all net assets of our Company excluding deferred tax assets (net) and intangible assets as per Accounting Standard 22 and Accounting Standard 26, respectively, as defined under Companies (Accounting Standards) Rules, 2014 (as amended);
- (ii) Monetary assets include cash on hand, cheques in hand and balance with banks (including the deposit accounts and interest accrued thereon);
- (iii) 'Pre-tax operating profit', has been calculated net profit before tax, excluding other income and finance expenses (excluding interest on others); and
- (iv) Net worth has been defined as the aggregate of paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account. Reserves and surplus includes securities premium, general reserve, employee stock option outstanding and surplus in the statement of profit and loss.

Financial Years 2016, 2015 and 2014 are the three most profitable years out of the immediately preceding five Financial Years in terms of our Restated Financial Statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, JEFFERIES INDIA PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN

CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND EACH SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 19, 2016 WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:
 - (A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS'

CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. -COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE SELLING SHAREHOLDERS AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:

- (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
- (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR. - COMPLIED WITH
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER THE ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS (IF APPLICABLE) - NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve each Selling Shareholder from any liability to the extent of the statements specifically confirmed or undertaken by each Selling Shareholder in respect of the Equity Shares offered by each of them under the Offer for Sale, under Section 34 and 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.lauruslabs.com or the respective websites of our Subsidiary or our Group Entity would be doing so at his

or her own risk. Each Selling Shareholder, its directors, affiliates, associates and officers accepts/undertakes no responsibility for any statements made other than those statements made by such Selling Shareholder in relation to itself and to the Equity Shares offered by it, by way of the Offer for Sale in the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, Selling Shareholders or the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer 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, except that this Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiary, our Group Entity or the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, 2nd Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad 500 068, Telangana, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus and each Selling Shareholder will be liable severally and not jointly to re-imburse the Company for such repayment of monies, on its behalf, with respect to the Equity Shares offered by it in the Offer for Sale. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely by such Selling Shareholder and to the extent of the Equity Shares being offered by the Selling Shareholder in the Offer for Sale.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Each Selling Shareholder, severally and not jointly, undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLMs, in relation to the Equity Shares offered by it in the Offer for Sale to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid / Offer Closing Date. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. Each Selling Shareholder shall reimburse our Company for all expenses incurred by our Company on behalf of such Selling Shareholder, in relation to the Offer for Sale. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

Price information of past issues handled by the BRLMs

A. Kotak

1. Price information of past issues handled by Kotak

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Larsen & Toubro Infotech Limited ⁽¹⁾	1,236.38	710	21-Jul-16	667	-	-	-
2.	Mahanagar Gas Limited ⁽²⁾	1,038.88	421	1-Jul-16	540	+20.86% [+3.72%]	-	-
3.	Parag Milk Foods Limited ⁽³⁾	750.54	215	19-May-16	217.50	+17.07% [+4.97%]	-	-
4.	Ujjivan Financial Services Limited	882.50	210	10-May-16	231.90	+72.38% [+4.88%]	+120.90% [+10.08%]	-
5.	Healthcare Global Enterprises Limited	649.64	218	30-Mar-16	210.20	-15.32% [+1.45%]	-19.98% [+4.65%]	-
6.	Dr. Lal PathLabs Limited ⁽⁴⁾	631.91	550	23-Dec-15	720.00	+32.54% [-7.49%]	+66.95% [-2.06%]	+63.13% [+3.87%]
7.	S H Kelkar and Company Limited	508.17	180	16-Nov-15	223.70	+21.69% [-1.35%]	+20.78% [-10.58%]	+24.97% [+0.11%]
8.	Interglobe Aviation Limited ⁽⁵⁾	3,008.50	765	10-Nov-15	855.80	+32.39% [-2.20%]	+7.76% [-5.09%]	+40.59% [-0.64%]
9.	Coffee Day Enterprises Limited	1,150.00	328	2-Nov-15	317.00	-21.42% [-1.19%]	-19.73% [-6.05%]	-20.98% [-2.50%]
10.	Sadbhav Infrastructure Project Limited	491.66	103	16-Sep-15	111.00	-2.28% [+3.55%]	-5.63% [-3.15%]	-12.67% [-4.92%]
11.	Power Mech Projects Limited	273.22	640	26-Aug-15	600.00	-9.36% [+0.98%]	-4.63% [+0.74%]	-10.65% [-7.15%]
12.	Manpasand Beverages Limited	400.00	320	9-Jul-15	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
13.	Adlabs Entertainment Limited ⁽⁶⁾	374.59	180	6-Apr-15	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]
14.	Ortel Communications Limited	173.65	181	19-Mar-15	160.05	-3.67% [-0.33%]	-5.91% [-6.80%]	+12.21% [-8.83%]

Source: www.nseindia.com

Notes:

1. In Larsen & Toubro Infotech Limited, the issue price to retail individual investor was ₹ 700 per equity share after a discount of ₹ 10 per equity share. The Anchor Investor Issue price was ₹ 710 per equity share.
2. In Mahanagar Gas Limited, the issue price to employees was ₹ 383 per equity share after a discount of ₹ 38 per equity share. The Anchor Investor Issue price was ₹ 421 per equity share.
3. In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹ 203 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 227 per equity share.
4. In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹ 535 per equity share after a discount of ₹ 15 per equity share. The Anchor Investor Issue price was ₹ 550 per equity share.
5. In Interglobe Aviation Limited, the issue price to employees was ₹ 688.50 per equity share after a discount of ₹ 76.5 per equity share. The Anchor Investor Issue price was ₹ 765 per equity share.
6. In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹ 168 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 221 per equity share.
7. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
8. Nifty is considered as the benchmark index.

2. Summary statement of price information of past issues handled by Kotak:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017*	4	3,908.3	-	-	-	1	-	2	-	-	-	-	-	-
2015-2016	9	7,487.69	-	-	5	-	2	2	-	1	3	2	1	1
2014-2015	1	173.65	-	-	1	-	-	-	-	-	-	-	-	1

*The information is as on the date of this Draft Red Herring Prospectus

B. Citi

1. Price information of past issues handled by Citi:

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	L&T Infotech Ltd ⁽³⁾	1,236.38	710.00	July 21, 2016	667.00	N/A	N/A	N/A

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
2.	Mahanagar Gas Ltd. ⁽⁴⁾	1,038.88	421.00	July 1, 2016	540.00	+20.86% [+3.72%]	N/A	N/A
3.	Dr. Lal Pathlabs Limited	631.91	550.00	December 23, 2015	720.00	+32.54% [(-)7.49%]	+66.95% [(-)2.06%]	+63.13% [(+)3.87%]
4.	InterGlobe Aviation Limited	3,008.50	765.00	November 10, 2015	855.80	+32.39% [(-)2.20%]	+7.76% [(-)5.09%]	+40.59% [(-)0.64%]
5.	Coffee Day Enterprise Limited	1,150.00	328.00	November 2, 2015	317.00	(-) 21.42% [(-)1.19%]	(-) 19.73% [(-)6.05%]	(-) 20.98% [(-)2.50%]
6.	UFO Moviez India Ltd.	600.00	625.00	May 14, 2015	600.00	(-)11.68% [(-)2.93 %]	(-) 5.54% [+1.52%]	(-) 18.27% [(-)3.76%]

Source: www.nseindia.com

Notes

1. Nifty is considered as the benchmark index.
2. In case 30th/ 90th/180th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered
3. Since the listing date of L&T Infotech Ltd. was July 21, 2016, information relating to closing prices and benchmark index as on 30th / 90th / 180th calendar day from listing date is not available
4. Since the listing date of Mahanagar Gas Ltd. was July 1, 2016, information relating to closing prices and benchmark index as on 90th / 180th calendar day from listing date is not available

2. Summary statement of price information of past issues handled by Citi:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	2	2,275.26	-	-	-	-	-	1	-	-	-	-	-	-
2015-16	4	5,390.41	-	-	2	-	2	-	-	-	2	1	1	-
2014 - 15	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. Since the listing date of Mahanagar Gas Ltd. was July 1, 2016, information relating to closing prices and benchmark index as on 90th / 180th calendar day from listing date is not available
2. Since the listing date of L&T Infotech Ltd. was July 21, 2016, information relating to closing prices and benchmark index as on 30th / 90th / 180th calendar day from listing date is not available.

C. Jefferies

1. Price information of past issues handled by Jefferies:

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Quick Heal Technologies Limited	4,512.53	321.00	18-Feb-16	305.00	-31.56%, [5.74%]	-20.05%, [9.72%]	-24.21%, [20.17%]
2.	Narayana Hrudayalaya Limited	6,130.82	250.00	06-Jan-16	291.00	28.76%, [-4.35%]	15.86%, [0.23%]	25.56%, [8.13%]
3.	Syngene International Limited	5,500.00	250.00	11-Aug-15	295.00	36.00%, [-7.61%]	44.90%, [-6.47%]	57.20%, [-12.70%]

Notes:

1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of price information of past issues handled by Jefferies:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-16*	3	16,143.35	-	1	-	-	2	-	-	-	1	1	1	-

* The information is as on the date of the document

D. SBICAP

1. Price information of past issues handled by SBICAP:

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Infibeam Incorporation Limited	4,500.00	432.00	April 4, 2016	458.00	+20.37% [-0.67%]	+61.31% [+7.40%]	NA
2.	Precision Camshafts Limited	4,101.90	186.00	February 8, 2016	163.10	-14.68% [+1.53%]	-20.43% [+5.77%]	-20.32% [15.61%]
3.	Prabhat Dairy Limited	3,561.88	115.00	September 21, 2015	115.00	+11.78% [+3.57%]	+30.83% [-1.79%]	-5.48% [-4.67%]
4.	Navkar Corporation Limited	6,000.00	155.00	September 9, 2015	152.00	+0.71% [+4.38%]	+25.81% [-0.74%]	+6.13% [-4.12%]
5.	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	585.00	-26.53% [+3.25%]	-23.37% [+4.57%]	-21.01% [-2.50%]

Source: www.nseindia.com, www.bseindia.com

Notes:

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
2. The designated exchange for the issue has been considered for the price, benchmark index and other details.

2. Summary statement of price information of past issues handled by SBICAP:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	4	18,163.78	-	-	1	-	-	3	-	-	2	-	-	1
2014-15	1	3,504.30	-	1	-	-	-	-	-	-	1	-	-	-

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Kotak	www.investmentbank.kotak.com
2.	Citi	http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	Jefferies	www.jefferies.com
4.	SBICAP	www.sbicaps.com

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Indian legal counsel to the Company, legal counsel to the BRLMs as to Indian law and international legal counsel to the BRLMs, Bankers/lenders to our Company, Frost and Sullivan, the BRLMs, the Syndicate Members, the Escrow Collection Banks, the Refund Bank and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Company has received written consent from the Statutory Auditors namely, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 16, 2016 and the statement of tax benefits dated August 16, 2016, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Expert to the Offer

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

Our Company has received written consent from the Statutory Auditors namely, M/s S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 16, 2016 and the statement of tax benefits dated August 16, 2016, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Offer Expenses

The expenses of the Offer include, among others, brokerage and selling commission, printing and stationery expenses, legal fees, advertising and marketing expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see “Objects of the Offer” on page 90.

All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. Each Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on behalf of such Selling Shareholder. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement, a copy of which will be available at the Corporate Office of our Company.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see “Objects of the Offer” on page 90.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the Registrar Agreement, a copy of which is available for inspection at the Corporate Office of our Company.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting. Each Selling Shareholder will reimburse our Company the part of the expenses incurred by our Company in proportion to the Equity Shares contributed to the Offer by such Selling Shareholder.

For details of the Offer expenses, see “Objects of the Offer” on page 90.

IPO grading

Our Company may appoint an IPO grading agency registered with SEBI in respect of obtaining grading for the Offer. Such an IPO grading agency may be appointed prior to filing of the Red Herring Prospectus with the RoC.

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in “Capital Structure” on page 67, our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the “Capital Structure” on page 67, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company’s inception.

Previous capital issue during the previous three years by listed Group Entities, Subsidiary and Associate Company

None of our Group Entity, Subsidiary and Associate Company has undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Entities, Subsidiary and Associate Company

Our Company has not undertaken any previous public or rights issue. There has been no shortfall in terms of performance vis-a-vis objects for any of the previous issues of our Company.

None of our Group Entity, Subsidiary or Associate Company has undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Except the employee stock options issued under the ESOP 2011 and ESOP 2016, our Company does not have any outstanding preference shares or other convertible instruments, as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Francis Jackson Wright, Ravi Kumar V V and Dr. Raju Srihari Kalidindi as members. For details, see "Our Management" on page 196. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has also appointed G Venkateswar Reddy, Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "General Information" on page 59.

Changes in Auditors

There has been no change in the Auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "Capital Structure" on page 67.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer Expenses

The Offer comprises the Fresh Issue and the Offer for Sale. For further details in relation to Offer expenses, see “Objects of the Offer” and “Other Regulatory and Statutory Disclosures” on pages 90 and 373, respectively.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of Articles of Association” on page 442.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the MoA and AoA and provisions of the SEBI Listing Regulations. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 222 and 442, respectively. In relation to the Offer for Sale, the dividend for the entire financial year shall be payable to the transferees.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the minimum Bid Lot size and the Retail Discount, if any, for the Offer will be decided by our Company in consultation with the BRLMs and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Telugu newspaper [●] (Telugu being the regional language of Andhra Pradesh where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- 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, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 442.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated August 13, 2016 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated [●] amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions 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 may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders, severally and not jointly, in consultation with the BRLMs, reserve the right not to proceed with the Fresh Issue and / or Offer for Sale, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that the Company and the Selling Shareholders in consultation with the BRLMs decide not to proceed with the Offer at all, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON (FOR QIBs)	[●] ⁽²⁾
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	[●]

(1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary

formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, with respect to the Equity Shares being offered by such Selling Shareholder in the Offer for Sale.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid File received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in the Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum Allotment as specified under Rule 19(2)(b) of the SCRR, including devolvment of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of each Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by such Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by such Selling Shareholders in the Offer, to the extent that the delay is solely attributable to such Selling Shareholder.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, minimum Promoters' contribution and the Anchor Investor lock-in as provided in "Capital Structure" on page 67 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "Main Provisions of the Articles of Association" on page 442.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Initial Public Offering of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Shares) aggregating to ₹[●] comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹3,000 million by our Company and an Offer for Sale of 24,844,240 Equity Shares aggregating to ₹[●] by the Selling Shareholders. The Offer includes an Employee Reservation Portion of [●] Equity Shares aggregating to ₹ 60 million, for subscription by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* ⁽²⁾	[●] Equity Shares	[●] Equity Shares or Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Approximately [●] % of the Offer.	50% of the Net Offer size shall be available for allocation to QIBs. However, 5 % of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid Lot. For details see, “Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs” on page 430
Mode of Bidding	ASBA only	ASBA only ⁽³⁾	ASBA only	ASBA only
Minimum Bid	[●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Particulars	Eligible Employees	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
		Shares thereafter	Shares thereafter	
Maximum Bid	Such number of Equity Shares in multiples of [●] so as to ensure that the Bid Amount does not exceed ₹200,000.	Such number of Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders that is specified in the ASBA Form at the time of submission of the ASBA Form ⁽⁴⁾			

*Assuming full subscription in the Offer

- (1) Our Company may, in consultation with the BRLMs allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Structure" on page 394.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.
- (3) Anchor Investors are not permitted to use the ASBA process.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, please see section entitled "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 430.

Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer. Under subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other

categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Retail Discount

The Retail Discount, if any, will be offered to the Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount) at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Retail Discount) does not exceed ₹200,000. Please refer to “Offer Procedure - Maximum and Minimum Bid Size” on page 416.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations to the extent applicable to a public issue but has not been updated to reflect the commercial considerations between the Company and the Selling Shareholders with respect to the Offer. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Offer Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received at or above the Offer Price net of Retail Discount. However, the value of Allotment to any Eligible Employee shall not exceed ₹200,000.

Any unsubscribed portion in Employee Reservation Portion shall be added to the Net Offer. In case of under-subscription in the Net Offer category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Offer. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space

provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

* Excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by Promoters, Promoter Group, the BRLMs, the Syndicate Members and persons related to the Promoters/Promoter Group/the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoters and Promoter Group and any persons related to our Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible

NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 49% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- (b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹200,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹200,000.
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- (d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (e) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- (f) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.
- (g) Eligible Employees can apply at Cut-off Price.
- (h) Bid by Eligible Employees can be made also in the “Net Offer to the Public” and such Bids shall not be treated as multiple Bids.
- (i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the post-Offer share capital of the Company.

- (k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see “Offer Procedure – Allotment Procedure and Basis of Allotment” on pages 430 to 433.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that 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;
14. Ensure that the category and the investor status is indicated;
15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
17. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and
18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.
19. Ensure that the Demographic Details are updated, true and correct in all respects;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders and Eligible Employees);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

9. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
10. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit more than five Bid cum Application Forms per ASBA Account;
13. Anchor Investors should not bid through the ASBA process; and
14. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●] Public Issue – Escrow Account – R”
- (b) In case of Non-Resident Anchor Investors: “[●] Public Issue – Escrow Account – NR”

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of English national newspaper [●]; (ii) all editions of Hindi national newspaper [●]; and (iii) [●] edition of Telugu newspaper [●] (Telugu being the regional language of Andhra Pradesh, where the registered office of the Company is situated), each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the QIB Bid Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- intimation of the credit of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- other than Equity Shares issued pursuant to exercise of options granted under ESOP 2011 or the ESOP 2016, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The statements and undertakings set out below, in relation to each Selling Shareholder, are statements which are specifically confirmed or undertaken by such Selling Shareholder. All other statements and/or undertakings in this DRHP in relation to any of the Selling Shareholders shall be statements made by our Company, even if the same relates to any of the Selling Shareholders. Each of the Selling Shareholders hereby severally and not jointly undertake and/or confirm the following:

- the Equity Shares offered by it have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations;

- it is the legal and beneficial owner of the Equity Shares offered by it, and that such Equity Shares are fully paid-up and shall be transferred in the Offer, free from liens, charges and encumbrances of any kind whatsoever;
- it shall not have recourse to the proceeds from the Offer which shall be held in escrow in its favour until the final listing and trading approvals from all the Stock Exchanges have been obtained;
- it shall reimburse the Company for expenses incurred in relation to the Offer on its behalf, to the extent of the Equity Shares offered by it, in the manner agreed to amongst the Selling Shareholders and the Company, and in accordance with applicable law;
- it shall take all such steps as may be required to ensure that the Equity Shares offered by it in the Offer are available for transfer in the Offer within the time specified under applicable law;
- to the extent of the Equity Shares offered by it, funds required for making refunds to unsuccessful applicants, to the extent applicable, as per the mode(s) disclosed in the DRHP, shall be made available to the Registrar to the Offer by it in a timely manner in accordance with applicable law; and
- it shall comply with all applicable laws, including but not limited to, the SEBI ICDR Regulations and the Companies Act, 2013, and the rules and regulations made thereunder, each as amended, in each case, in relation to the Offer.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh 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;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Each Selling Shareholder, along with our Company declares that all monies received out its component of the Offer for Sale shall be credited/transferred to a separate bank account pursuant to sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“**RHP**”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the

SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

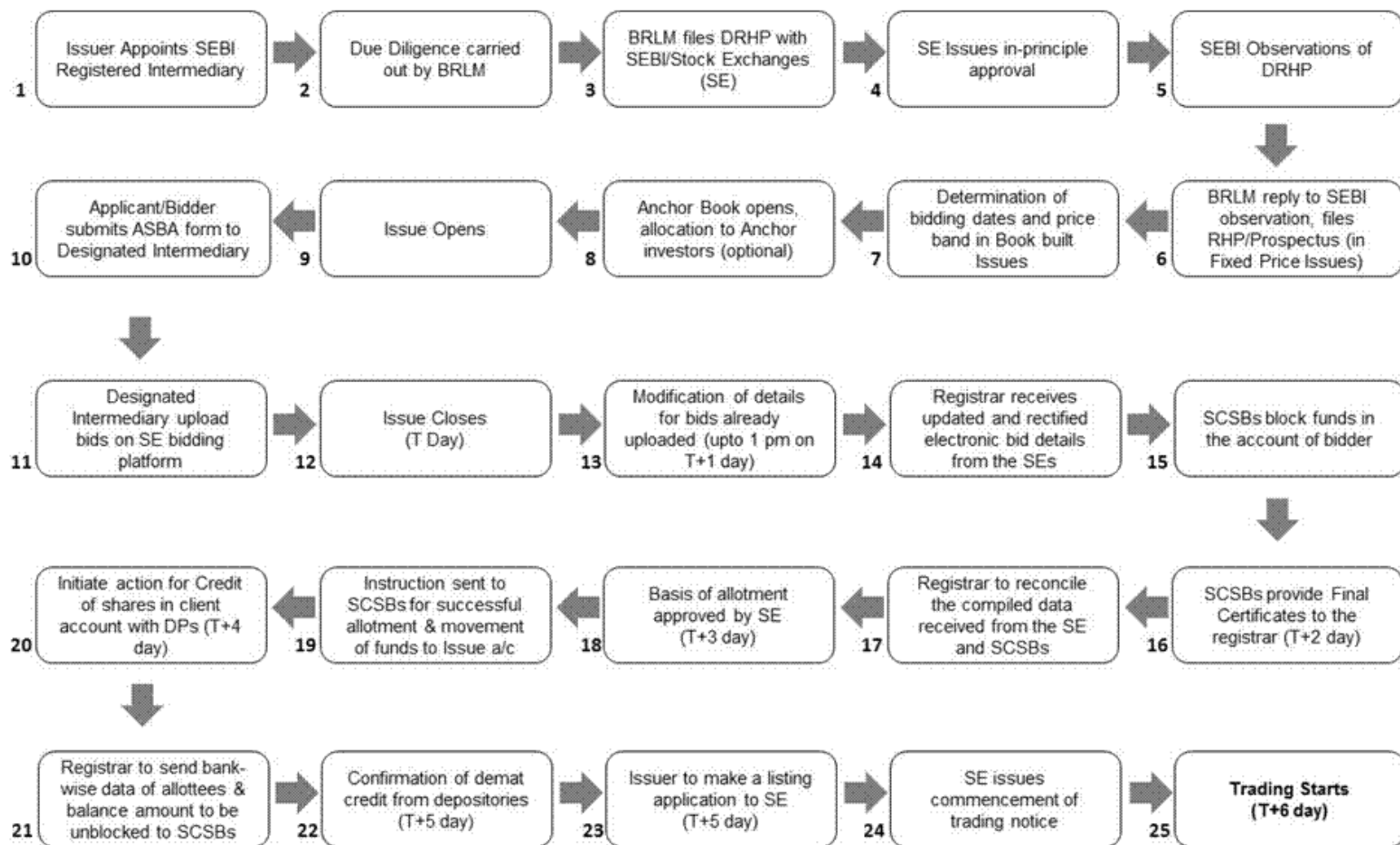
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Offer Date and Price
 - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder (“NIBs”) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
Address : _____ Contact Details: _____ CIN No. _____					
TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE		Bid cum Application Form No. _____	
ISIN : _____					

SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. _____ Address _____ Tel. No (with STDcode) / Mobile _____	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		BICROW BANK/SCSB BRANCH STAMP & CODE			
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.			
				2. PAN OF SOLE / FIRST BIDDER	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL				6. INVESTOR STATUS ☐ Individual(s) - IND ☐ Hindu Undivided Family* - HUF ☐ Bodies Corporate - CO ☐ Banks & Financial Institution - FI ☐ Mutual Funds - MF ☐ Non-Resident Indians - NRI (Non-Repatriation funds) ☐ National Investment Fund - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - VCF ☐ Alternative Investment Funds - AIF ☐ Others (Please specify) - OTH															
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID																			
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")																			
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)												
								Bid Price	Retail Discount	Net Price									
Option 1	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2	1	☐	
(OR) Option 2																			☐
(OR) Option 3																			☐

7. PAYMENT DETAILS				PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐			
Amount paid (₹ in figures) _____ (₹ in words) _____							
ASBA Bank A/c No. _____							
Bank Name & Branch _____							
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNOUNCEMENT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC BIDDING (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS" UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.							

8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
		I/We authorize the SCSB to do all acts as necessary to make the Application in the line			
		1) _____			
		2) _____			
Date : _____		3) _____			

XYZ LIMITED		Acknowledgement Slip for Broker/SCSB/DP/RTA		Bid cum Application Form No. _____	
INITIAL PUBLIC ISSUE - R					
DPID / CLID _____				PAN of Sole / First Bidder _____	
Amount paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of SCSB Branch 	
ASBA Bank A/c No. _____					
Received from Mr./Ms. _____					
Telephone / Mobile _____ Email _____					

XYZ LIMITED - INITIAL PUBLIC ISSUE - R		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder _____	
Option 1 Option 2 Option 3					
No. of Equity Shares _____					
Bid Price _____					
Amount Paid (₹) _____					
ASBA Bank A/c No. _____				Acknowledgement Slip for Bidder	
Bank & Branch _____				Bid cum Application Form No. _____	

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : Contact Details: CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN :

Bid cum
Application
Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms.
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	Address
		Email
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile
		2. PAN OF SOLE / FIRST BIDDER
		

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	☐ NSDL ☐ CDSL	6. INVESTOR STATUS
		NRI Non-Resident Indian(s) (Repatriation basis)
		FII FII or Sub-account not a Corporate/Foreign Individual
		FIIIA FII Sub-account Corporate/Individual
		FVCI Foreign Venture Capital Investor
		FPI Foreign Portfolio Investors
		OTH Others (Please Specify)
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		5. CATEGORY
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	☐ Retail Individual Bidder
	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	☐ Non-Institutional Bidder
	Bid Price	☐ QIB
	Retail Discount	
	Net Price	
	"Cut-off" (Please tick)	
Option 1		
(OR) Option 2		
(OR) Option 3		

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐
Amount paid (₹ in figures)	(₹ in words)
ASBA	
Bank A/c No.	
Bank Name & Branch	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABREIDED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS 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 BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line	
	1)	
	2)	
	3)	
Date :		

TEAR HERE

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.
	INITIAL PUBLIC ISSUE - NR		

DPID / CLID		PAN of Sole / First Bidder	

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
No. of Equity Shares					
Bid Price					
Amount Paid (₹)					
ASBA Bank A/c No.					
Bank & Branch					
					Acknowledgement Slip for Bidder
					Bid cum Application Form No.

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (d) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (e) *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*
- (f) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted

Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders/Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).
- (c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum

application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.
- (b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.
- (e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Offer size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for Anchor Investors:

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by direct credit, RTGS or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) Bidders may submit the ASBA Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS				
	Address : Contact Details: CIN No.					
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">BOOK BUILT ISSUE</td> <td style="text-align: center;">Bid cum Application Form No.</td> </tr> <tr> <td style="text-align: center;">ISIN :</td> <td></td> </tr> </table>	BOOK BUILT ISSUE	Bid cum Application Form No.	ISIN :	
BOOK BUILT ISSUE	Bid cum Application Form No.					
ISIN :						

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
		Mr. /Ms.	
		Address :	
		Tel. No (with STD code) / Mobile :	
		2. PAN OF SOLE / FIRST BIDDER :	
		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS : ☐ NSDL ☐ CDSL	
		For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	

PLEASE CHANGE MY BID			
4. FROM (AS PER LAST BID OR REVISION)			
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
	(In Figures)	(In Figures)	
		Bid Price	Net Price
Option 1			
(OR) Option 2			
(OR) Option 3			
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")			
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
	(In Figures)	(In Figures)	
		Bid Price	Net Price
Option 1			
(OR) Option 2			
(OR) Option 3			
6. PAYMENT DETAILS			
Additional Amount Paid (₹ in figure) :		PAYMENT OPTION : ☐ FULL PAYMENT ☐ PART PAYMENT	
ASBA Bank A/c No. :			
Bank Name & Branch :			
I/WE IN SIGNING OF THIS APPLICATION, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE IPO AND HAVE AGREED TO ACCEPT THE TERMS AND CONDITIONS OF THE IPO AND HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID FORM AND HAVE GIVEN OVERSIGHT TO THE SAME. I/WE HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID FORM AND HAVE GIVEN OVERSIGHT TO THE SAME.			
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	
		I/We authorize the SCSB to do all acts as are necessary to make the Application in the form	
		(1)	
		(2)	
		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date :			

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.
	BID REVISION FORM - INITIAL PUBLIC ISSUE - R		
DPID / CLID :		PAN of Sole / First Bidder :	
Additional Amount Paid (₹) :		Bank & Branch :	
ASBA Bank A/c No. :		Stamp & Signature of SCSB Branch	
Received from Mr./Ms. :			
Telephone / Mobile : Email :			

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Option 1</td> <td style="width: 20%;">Option 2</td> <td style="width: 20%;">Option 3</td> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No. :</td> <td colspan="2"></td> </tr> <tr> <td>Bank & Branch :</td> <td colspan="2"></td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares			Bid Price			Additional Amount Paid (₹)			ASBA Bank A/c No. :			Bank & Branch :			<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Stamp & Signature of Broker / SCSB / DP / RTA</td> <td style="width: 50%;">Name of Sole / First Bidder</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;">Acknowledgement Slip for Bidder</td> </tr> <tr> <td colspan="2">Bid cum Application Form No.</td> </tr> </table>	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder			Acknowledgement Slip for Bidder		Bid cum Application Form No.	
Option 1	Option 2	Option 3																										
No. of Equity Shares																												
Bid Price																												
Additional Amount Paid (₹)																												
ASBA Bank A/c No. :																												
Bank & Branch :																												
Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder																											
Acknowledgement Slip for Bidder																												
Bid cum Application Form No.																												

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:

- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- (a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 Payment instructions for Applicants

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 Unblocking of ASBA Account

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 Discount (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location (b) To the Designated Branches of the SCSBs

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs, NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - i. the Bids accepted by the Designated Intermediary,
 - ii. the Bids uploaded by the Designated Intermediary, and
 - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs;

- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (k) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- (o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- (p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (q) Bids not uploaded in the Stock Exchanges bidding system.
- (r) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (s) Where no confirmation is received from SCSB for blocking of funds;
- (t) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (u) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;
- (v) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

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

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

- (a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer

Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:
 - i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of

the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

- (d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 **BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow

Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvment to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of

under-subscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.
- (d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer

Term	Description
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2 nd and 4 th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted

Term	Description
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer

Term	Description
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Bidders or NIBs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form

Term	Description
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	“Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the 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 FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued the Consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force and effect as on June 6, 2016. The Government has also issued Press Note No. 5 of 2016 dated June 24, 2016 wherein, subject to certain conditions, FDI in “brownfield” pharmaceutical companies is allowed up to 74% under the automatic route and beyond 74% under the approval route. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

Subject to certain conditions, the transfer of shares by way of sale between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy 2016 and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy 2016; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. However, Part B, with the exception of Article 112.14.5, shall automatically terminate and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of the Company without any further action by the Company or by the shareholders.

PART A

1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- a. **“Act”** means the Companies Act, 1956 as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the notified sections of the Companies Act, 2013) and the notified sections of the Companies Act, 2013 (including the sections that were notified on September 12, 2013, February 27, 2014 and March 26, 2014) and include the Rules made thereunder.
- b. **“ADRs”** shall mean American Depository Receipts representing ADSs.
- c. **“Annual General Meeting”** shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
- d. **“ADR Facility”** shall mean an ADR facility established by the company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- e. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- f. **“Articles”** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.
- g. **“Auditors”** shall mean and include those persons appointed as such for the time being by the company.
- h. **“Board”** shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- i. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

- j. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- k. **“Capital” or “share capital”** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.
- l. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.
- m. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.
- n. **“Company” or “this company”** shall mean **LAURUS LABS LIMITED**.
- o. **“Committees”** shall mean a committee constituted in accordance with Article 74.
- p. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- q. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- r. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- s. **“Director”** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.
- t. **“Dividend”** shall include interim dividends.
- u. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.
- v. **“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR 10/- (Rupees **Ten**) per equity share, and INR 10/- (Rupees **Ten**) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- w. **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- x. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;
- y. **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- z. **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.

- aa. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.
- bb. **“GDSs”** shall mean the Global Depositary Shares, each of which represents a certain number of Equity Shares.
- cc. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.
- dd. **“Independent Director”** shall mean an independent director as defined under the Act and under clause 49 of the Listing Agreement.
- ee. **“India”** shall mean the Republic of India.
- ff. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.
- gg. **“Listing Agreement”** means the agreement entered into with the stock exchanges in India, on which a company’s shares are listed.
- hh. **“Managing Director”** shall have the meaning assigned to it under the Act.
- ii. **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India.
- jj. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- kk. **“Office”** shall mean the registered office for the time being of the Company.
- ll. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.
- mm. **“Ordinary Resolution”** shall have the meaning assigned thereto by Section 114 of the Act.
- nn. **“Paid up”** shall include the amount credited as paid up.
- oo. **“Person”** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- pp. **“Promoters”** shall mean Dr. Satyanarayana Chava, Naga Rani C, Dr. Raju Srihari Kalidindi, V V Ravi Kumar and C V Lakshmana Rao.
- qq. **“Register of Members”** shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.
- rr. **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- ss. **“Rules”** shall mean the rules made under the Act and notified from time to time.
- tt. **“Seal”** shall mean the common seal(s) for the time being of the Company.
- uu. **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- vv. **“SEBI Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- ww. **“Secretary”** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.
- xx. **“Securities”** shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- yy. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
- zz. **“Shareholder”** shall mean any shareholder of the Company, from time to time.
- aaa. **“Shareholders’ Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- aaa. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.
- bbb. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word **“Transferred”** shall be construed accordingly.
- ccc. **“Tribunal”** shall mean the National Company Law Tribunal constitutes under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (i) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words

shall be deemed to be followed by the words “without limitation”.

- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- (xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Paid up Share Capital shall be at all times a minimum of Rs. **5,00,000/-** (Rupees **Five Lakhs** only) or such higher amount as may be required under the Act.
- (c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

- (f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- (h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (j) All of the provisions of these Articles shall apply to the Shareholders.
- (k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. **BRANCH OFFICES**

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places as its Board may deem fit.

6. **PREFERENCE SHARES**

(a) **Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) **Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. **PROVISIONS IN CASE OF PREFERENCE SHARES.**

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- (d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- (e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- (g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the

provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

- (b) A duplicate certificate of shares may be issued, if such certificate:
 - i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law including the rules or regulations or requirements of any stock exchange and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.
- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 54 of the Act) and at such time as they may, from time to time, think fit and with the sanction of the Company in the General Meeting, give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- (c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
 - (i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some

other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

- (ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in the form and manner as specified in Article 15 above and in respect of a 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 of shares to the one or several joint holders shall be sufficient delivery to all such holders.
- (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
- (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders

revoke the same.

- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time 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 or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Shareholder paying such sum in advance and the Board agree

upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

- (a) The Company shall have a first and paramount lien:
 - (i) on every share (not being a fully paid-up share), registered in the name of each shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and except as provided in Article 19(i)(b);
 - (ii) on all shares (not being fully paid-up shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. 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.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 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.

The net proceeds of any such 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. 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.

- (e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in

regard to which the Company has exercised any right of lien.

ii. On Debentures:

- (a) The Company shall have a first and paramount lien:
 - (i) on every Debenture (not being a fully paid-up Debenture), registered in the name of each debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
 - (ii) on all Debentures (not being fully paid-up Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.
- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the

Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 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 Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such 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. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the

payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of 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 the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the

certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
 - (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;
 - c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
 - (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
 - (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.
- (b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.
- (d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and

distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

- (b) Every instrument of transfer of shares shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (f) Subject to the provisions of Sections 58 and 59 of the Act, the Rules, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company or debentures of the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- (g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the

joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein 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.

- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever 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 a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any 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 of 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 shall so think fit.
- (r) There shall be a common form of transfer in accordance with the Act and Rules.
- (s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.
- (d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- (e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of

Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

- a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- b) Where the Securities of the Company are held by more than one Person jointly, the joint holders

may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

- c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of

Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

- (b)
 - (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
 - (ii) Not more than one person shall be recognised as depositor of the share warrant.
 - (iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- (c)
 - (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.
 - (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.
- (d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (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.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings

shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
 - (b) Auditor or Auditors of the Company, and
 - (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
 - (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
 - (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the

provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules,

2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

- (e) A Shareholder 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute

discretion excuse such non-production and deposit.

- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
 - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
 - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
 - (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
 - (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
 - (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
 - (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -

- a) the names of the Directors and Alternate Directors present at each General Meeting;
 - b) all Resolutions and proceedings of General Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
 - (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
 - (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
 - (u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
 - (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
 - (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article 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 office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. 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 ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders 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 conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other 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. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:
- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (ii) he applies to be adjudicated an insolvent; or
 - (iii) he is adjudged an insolvent; or
 - (iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
 - (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
 - (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or
 - (vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or
 - (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (ix) he acts in contravention of Section 184 of the Act; or
 - (x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or
 - (xi) he is removed in pursuance of Section 169 of the Act; or
 - (xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

- (a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :
- i. sale, purchase or supply of any goods or materials;
 - ii. selling or otherwise disposing of, or buying, property of any kind;
 - iii. leasing of property of any kind;
 - iv. availing or rendering of any services;
 - v. appointment of any agent for purchase or sale of goods, materials, services or property;
 - vi. such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - vii. underwriting the subscription of any securities or derivatives thereof, of the company:
- without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.
- (b) no Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
- (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
- (f) The term 'related party' shall have the same meaning as ascribed to it under the Act.
- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have

otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-
 - (i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - (ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,
 - 1. in his being –
 - I. a director of such company, and
 - II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or
 - 2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent

of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

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)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under Section 68 of the Act;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;

- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) fees/ compensation payable to non-executive directors including independent directors of the Company; and
- (l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
- (b) to borrow money; and
- (c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the

Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

- (a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

- i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term ‘undertaking’ and the expression ‘substantially the whole of the undertaking’ shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
- ii. Remit, or give time for repayment of, any debt due by a Director;
- iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
- iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

74. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- (d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the

Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) all appointments of Officers;
 - (ii) the names of the Directors present at each meeting of the Board;
 - (iii) all resolutions and proceedings of the meetings of the Board;
 - (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

- (i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

- (a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may

confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.
- (c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one of the Directors or the Secretary of the Company under an authority of a resolution.

86. ACCOUNTS

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.
- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as

aforesaid.

- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
 - i. the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;
 - ii. number of meetings of the Board;
 - iii. Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
 - iv. a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
 - v. in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;
 - vi. explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - 1. by the auditor in his report; and
 - 2. by the company secretary in practice in his secretarial audit report;
 - vii. particulars of loans, guarantees or investments under Section 186 of the Act;
 - viii. particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;
 - ix. the state of the company's affairs;
 - x. the amounts, if any, which it proposes to carry to any reserves;
 - xi. the amount, if any, which it recommends should be paid by way of Dividends;
 - xii. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
 - xiii. the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
 - xiv. a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
 - xv. the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
 - xvi. in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and
 - xvii. such other matters as may be prescribed under the Law, from time to time.

- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

87. AUDIT AND AUDITORS

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.
- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like

description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (i) To the Shareholders of the Company as provided by these Articles.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- (iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c)
 - (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -
 - 1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and
 - 2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act against both.
 - (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

- (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (f)
 - (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
 - (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
 - (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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
- (g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
- (i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- (j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the

Shareholders, be set-off against such calls.

- (n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called “Unpaid Dividend Account”.
- (b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investor Education and Protection Fund”.
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

98. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the Company’s profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.
- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

- (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
- i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and
 - ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (a) If the company shall be wound up , the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part , or for any other loss ,damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the

company.

103. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

104. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

- (a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.
- (b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (c) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

105. SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

106. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

PART B

107. Part A of these Articles shall apply in so far as and to the extent they are not, either expressly or by necessary implication, contrary to or inconsistent with the provisions of Part B of these Articles. In the event of any conflict or inconsistency between any provisions of Part B of these Articles and any other provisions contained in Part A of these Articles, the provisions contained in Part B shall prevail. However, Part B, with the exception of Article 112.14.5, shall automatically terminate and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of the Company without any further action by the Company or by the shareholders.

108. DEFINITIONS

In these Special Articles, except as otherwise provided, capitalized terms shall have the meaning assigned to them herein below:

- “Act” : shall mean the Companies Act, 1956 and any amendment thereto or any other succeeding enactment for the time being in force and shall include the Companies Act, 2013.
- “Adjustment Event” : shall mean any bonus issue, stock split, reclassification or sub-division or combination of, any of the Shares or other similar event affecting any of the Shares.
- “Affiliate” : in relation to a Person,
- (a) being a corporate entity, means any entity, which Controls, is Controlled by, or is under the common Control of such Person.
 - (b) being an individual, means a Relative of such Person or any entity which is Controlled by or under the common Control of such Person or Relative,
 - (c) in relation to the Existing Investors, includes (i) FIL Limited, (“**FIL**”) a company incorporated in Bermuda, and any subsidiary undertaking of FIL from time to time (FIL and its subsidiary undertakings being the “**FIL Group**”); (ii) FMR LLC, (“**FMR**”) a company incorporated in Delaware, and any subsidiary undertaking of FMR from time to time (FMR and its subsidiary undertakings being the “**FMR Group**”); (iii) any director, officer, employee or shareholder of the FIL Group and/or the FMR Group and any company, trust, partnership or other entity (“**Entities**”) formed for his or any of their benefit from time to time (any or all of such individuals and Entities being the “**Closely Related Shareholders**”); (iv) any Entity Controlled by Closely Related Shareholders; and (v) any Affiliate of any member of the FIL Group and/or the FMR Group,
- and
- (d) in relation to the New Investor, shall mean (i) funds managed, directly or indirectly, by Warburg Pincus LLC, and (ii) investment entities and special purpose vehicles which are controlled, either directly or indirectly, by funds referred to in (i) of this sub-clause, but shall specifically exclude their portfolio companies.

“Aggregate Promoter” : shall have the meaning ascribed to it under the Agreement.

Associates’
Investment”

- “Aggregate Tag- : shall have the meaning ascribed to it in Article 113.6(c)(i) of these
Along Shares” Special Articles.
- “Aggrieved Investor” : shall have the meaning ascribed to it in Article 115.1 of these
Special Articles.
- “Agreement” : shall mean the investment agreement dated May 2, 2014 entered
into between the Company, Promoter Associates, Existing
Investors, Aptuit Asia and New Investor and shall include any
schedules, annexures, or exhibits that may be annexed to the
investment agreement now or at a later date and any amendment(s)
made to the investment agreement by the parties to the investment
agreement in writing.
- “Annual Budget” : shall have the meaning ascribed to it under the Agreement.
- “Anti-Corruption : shall have the meaning ascribed to it in Article 111A.9(i).
Policy”
- “Applicable Law” : shall mean any statute, law, enactment, regulation, ordinance,
policy, treaty, rule, judgment, notification, directive, guideline,
requirement, rule of common law, order, decree, bye-law, permits,
licenses, approvals, consents, authorizations, government approvals,
or any restriction or condition, or any similar form of decision of, or
determination, application or execution by, or interpretation or
pronouncement having the force of law of, any Governmental
Authority having jurisdiction over the matter in question, whether in
effect as of the Effective Date or thereafter.
- “Approved Qualified : shall have the meaning ascribed to it under the Agreement.
IPO”
- “Aptuit Asia” : shall mean Aptuit (Asia) Private Limited, a company incorporated
under the laws of Singapore and having its principal corporate
office at No. 1, Jalan Kilang, Dynasty Industrial Building,
Singapore 159402.
- “Aptuit Director” : shall have the meaning ascribed to it in Article 112.2(iii)
- “Aptuit Event of : shall mean the occurrence of any Aptuit Reserved Matter in relation
Default” to the Company in contravention of the provisions of Article 112.12
of these Special Articles (as applicable), provided that no Aptuit
Event of Default shall occur even if a resolution is passed by the
Board and/or the Shareholders on an Aptuit Reserved Matter in
contravention of the provisions of Article 112.12 (as applicable) so
long as (a) such resolution is duly cancelled by the Board and/ or
the Shareholders (as the case may be) within 2 (two) Business Days
of the date of passing of the resolution; and (b) no action has been
taken by the Company pursuant to such resolution to implement the
matter(s) adopted by such resolution.
- “Aptuit Investment : shall have the meaning ascribed to it under the Agreement.
Amount”
- “Aptuit Lock-in : shall mean the period commencing on the Closing Date and ending
Period” on the date that is 1 (one) year from the Closing Date.

“Aptuit Shares”	Preference	: shall mean 2,259,060 (two million two hundred fifty nine thousand and sixty) Series A Preference Shares held by Aptuit Asia.
“Aptuit Matter”	Reserved	: shall have the meaning ascribed to it in Article 112.12(f).
“Articles”		: shall mean the articles of association of the Company as amended from time to time and with effect from the Closing Date shall include these Special Articles.
“As Converted Basis”		: shall mean in relation to any securities of the Company that are convertible or exchangeable into Equity Shares (including for the avoidance of doubt in the case of the Investors, upon conversion of their respective Preference Shares), the total number of Equity Shares proposed to be issued upon conversion or exercise of such securities.
“Assets”		: shall mean all assets, properties, rights and interests of every kind, nature or description whatsoever, whether movable or immovable, tangible or intangible, owned, leased and/ or used by the Company.
“Associates”		: Shall have the meaning as set out in the Agreement.
“Auditor”		: shall mean the statutory auditors of the Company.
“Big Four”		: shall mean KPMG, PricewaterhouseCoopers, Ernst & Young and Deloitte Touche Tohmatsu or such Indian firm of chartered accountants associated with any of them, and their respective successors.
“Board”		: shall mean the board of Directors of the Company from time to time.
“Business Day”		: shall mean a day on which banks are open for business in Mauritius and Hyderabad, India; provided that, in relation to any payment required to be made by or to the New Investor or Aptuit Asia under the Agreement, Business Day shall also include New York, United States of America and Singapore respectively.
“Business Plan”		: shall have the meaning ascribed to it under the Agreement.
“Buy Back Notice”		: shall have the meaning ascribed to it in Article 110.3.1 of these Special Articles.
“Buy Back Option”		: shall have the meaning ascribed to it in Article 110.3.1 of these Special Articles.
“Buy Back Period”		: shall have the meaning ascribed to it in Article 110.3.1(vi) of these Special Articles.
“Buy Back Price”		: shall have the meaning ascribed to it in Article 110.3.1(iii) of these Special Articles.
“Buy Back Response Notice”		: shall have the meaning ascribed to it in Article 110.3.1(ii) of these Special Articles.
“Buy Back Shares”		: shall have the meaning ascribed to it in Article 110.3.1(ii)(a) of these Special Articles.

“Closing”	:	shall have the meaning as ascribed to it under the Agreement.
“Closing Date”	:	shall have the meaning as ascribed to it under the Agreement.
“Company”	:	shall mean Laurus Labs Private Limited
“Company Business”	:	shall have the meaning ascribed to it under the Agreement..
“Company Sale”	:	shall have the meaning ascribed to it in Article 110.5.1(i) of these Special Articles .
“Company Sale Initiating Investor”	:	shall have the meaning ascribed to it in Article 110.5.1(i) of these Special Articles.
“Company Sale Merchant Banker”	:	shall have the meaning ascribed to it in Article 110.5.1(ii) of these Special Articles.
“Company Sale Notice”	:	shall have the meaning ascribed to it in Article 110.5.1(i) of these Special Articles.
“Company Sale Purchaser”	:	shall have the meaning ascribed to it in Article 110.5.1(i) of these Special Articles.
“Company Sale Terms”	:	shall have the meaning ascribed to it in Article 110.5.1(ii) of these Special Articles.
“Competitor”	:	shall have the meaning as ascribed to it under the Agreement
“Confidential Information”	:	shall have the meaning ascribed to it under the Agreement.
“Consent”	:	shall mean any approval, consent, license, no-objection, ratification, permission, waiver, authorization or Permit.
“Contract”	:	shall mean any agreement, arrangement, contract, sub-contract, purchase order, work order, warranty or insurance policy.
“Control”	:	when used with respect to any Person, means the beneficial ownership directly or indirectly of more than 50% (fifty per cent) of the voting securities of such Person or control over the majority of the composition of the board of directors or power to direct the management or policies of such Person by contract or otherwise; and the terms “controlling” and “controlled” shall be construed accordingly.
“Co-operate”	:	shall have the meaning ascribed to it under the Agreement..
“Deed of Adherence”	:	shall mean the deed of adherence substantially in the form set forth in the Agreement.
“Default Price”	:	shall have the meaning ascribed to it in Article 115.1(c) of these Special Articles.
“Default Put Option”	:	shall have the meaning ascribed to it in Article 115.1(c) of these Special Articles.
“Default Put Option Exercise Notice”	:	shall have the meaning ascribed to it in Article 115.1(c) of these Special Articles.

“Default Shares”	:	shall have the meaning ascribed to it in Article 115.1(c) of these Special Articles.
“Default Seller Transfer Shares”	:	shall have the meaning ascribed to it in Article 113.4(e)(ii) of these Special Articles.
“Defaulting Investor”	:	shall have the meaning ascribed to it in Article 113.4(e)(ii) of these Special Articles.
“Director”	:	means a director of the Company appointed in accordance with the Agreement, these Special Articles and the Act.
“Director Undertaking”	:	shall have the meaning ascribed to it in Article 110.1.1 (iv) of these Special Articles.
“Effective Date”	:	shall mean the date of execution of the Agreement.
“Encumbrances”	:	shall mean any mortgage, pledge, equitable interest, prior assignment, hypothecation, right of other Persons, claim, security interest, beneficial interest, encumbrance, title retention agreement, voting agreement, voting trust agreement, interest, option, lien, charge (fixed or floating) or restriction, including restriction on use, transfer, non disposal undertaking, rights of pre-emption or exercise of any other attribute of ownership.
“Entities”	:	shall have the meaning ascribed to it in the definition of Affiliate above.
“Equity Shares”	:	shall mean the ordinary equity shares of par value Rs. 10 (Rupees Ten only) in the capital of the Company.
“ESOP”	:	shall have the meaning ascribed to it under the Agreement.
“ESOP Shareholder”	:	shall have the meaning ascribed to it in Article 113.7 of these Special Articles.
“Event of Default”	:	shall have the meaning ascribed to it under the Agreement.
“Exercising Offeree”	:	shall have the meaning ascribed to it in Article 113.6(c) of these Special Articles.
“Existing Investor 1”	:	shall mean FIL Capital Management (Mauritius) Limited, a private company incorporated under the laws of Mauritius, and having its registered office at C/o Cim Fund Services Limited, 33, Edith Cavell Street, Port Louis, Mauritius.
“Existing Investor 2”	:	shall mean Fidelity India Principals, a trust incorporated under the Indian Trusts Act, 1882 and having its registered office at C/o FIL Capital Advisors Trustee Company Private Limited, Ground Floor, Tower D, Uni Tech World (Cyber Park), Sector 39, Gurgaon, Haryana – 122001.
“Existing Investors”	:	shall mean Existing Investor 1 and Existing Investor 2.
“Existing Investors Approved Return”	:	shall have the meaning ascribed to it under the Agreement.
“Existing Investor 1 Sale Shares”	:	shall mean 2,036,758 (Two Million Thirty Six Thousand Seven Hundred And Fifty Eight) Equity Shares to be purchased by the New Investor from the Existing Investor 1, on the Closing Date in

accordance with the terms set out in the Existing Investor 1 Share Purchase Agreement.

- “Existing Investor 1 Share Purchase Agreement” : shall mean the share purchase agreement dated May 2, 2014 between the Existing Investor 1, the Company and the New Investor that provides for the purchase of the Existing Investor 1 Sale Shares by New Investor subject to the terms and conditions specified therein.
- “Existing Investment Documents” : shall mean the Existing Investment Agreement, the Existing Investors SPA and all other agreements, documents, certificates etc. executed and/or delivered pursuant to the Existing Investment Agreement and in respect of the transactions contemplated thereunder.
- “Existing Investment Agreement” : shall mean the investment agreement dated 7 December 2011 executed by and between the Company, the Promoter Associates, Aptuit Asia, Aptuit LLC and the Existing Investors.
- “Existing Investors Directors” : shall have the meaning ascribed to it in Article 112.2(iii) of these Special Articles.
- “Existing Investors Equity Shares” : shall mean 2,592,872 (Two Million Five Hundred Ninety Two Thousand Eight Hundred and Seventy Two) fully paid up Equity Shares held by the Existing Investor 1 as on the Closing Date after the sale of the Existing Investor 1 Sale Shares to the New Investor in accordance with the terms set out in the Existing Investor 1 Share Purchase Agreement.
- “Existing Investors Investment Amount” : shall have the meaning ascribed to it under the Agreement.
- “Existing Investors Lock-in Period” : shall mean the period commencing on the Closing Date and ending on the date that is 1 (one) year from the Closing Date.
- “Existing Investors Preference Shares” : shall mean 2,003,219 (two million three thousand two hundred nineteen) Series B Preference Shares held by the Existing Investors, as on the Closing Date, after the sale of 13,242 (thirteen thousand two hundred forty two) Series B Preference Shares by the Existing Investor 2 to the New Investor in accordance with the terms set out in the Resident Share Purchase Agreement.
- “Existing Investors Securities” : shall mean the Existing Investors Preference Shares or the Equity Shares (as adjusted for all Adjustment Events) issued and allotted to the Existing Investors (upon conversion of any Existing Investors’ Preference Shares) and the Existing Investors Equity Shares and shall include any other Shares subscribed or acquired by the Existing Investors in the Company from time to time in accordance with the terms of the Agreement and these Special Articles, and all references to such terms shall be construed accordingly.
- “Existing Investors SPA” : shall mean the share purchase agreement dated December 7, 2011, executed by and between the Company, the Existing Investor 1, the Promoter, Aptuit Asia and Aptuit LLC.
- “Extended Qualified IPO Target Date” : shall have the meaning ascribed to it in Article 110.2.1(v)(a) of these Special Articles.
- “Fair Market Value” : shall mean the fair market value of the Shares determined by any

one of the Big Four firm of accountants (not being the Auditor) as appointed by the Company with the consent of each of the New Investor, the Existing Investors and the Promoter.

- “FIL” : shall have the meaning ascribed to it in the definition of Affiliate above.
- “FIL Group” : shall have the meaning ascribed to it in the definition of Affiliate above.
- “Final Company Sale Notice” : shall have the meaning ascribed to it in Article 110.5.1(ii) of these Special Articles.
- “Financial Investor” : shall include a bank, private equity fund, proprietary capital fund, hedge fund, a venture capital fund, a mutual fund, or any other Person in the business of making financial or portfolio equity-related investments, primarily based on the prospect of financial gain in any entity engaged in any business as part of its investment operations. It is clarified that (i) any special purpose investment vehicle which is set up by a Financial Investor to make such financial or portfolio equity-related investments and which is Controlled, either directly or indirectly, by such Financial Investor shall also be a Financial Investor; and (ii) operating portfolio companies of a Financial Investor shall not be a Financial Investor.
- “Financial Year” : shall mean the period commencing on April 1 of a calendar year and ending on March 31 in the subsequent calendar year.
- “Financial Statements” : shall mean in relation to any Financial Year, the consolidated and standalone audited financial statements of the Company, comprising in each case, an audited balance sheet, profit and loss account and cash flow statement, together with the Auditor’s report thereon and notes to it in accordance with Indian GAAP and shall be accompanied by a report from the managing Director/ chief executive officer of the Company.
- “First Adjourned Meeting” : shall have the meaning ascribed to it in Article 112.4(b) of these Special Articles.
- “FMR” : shall have the meaning ascribed to it in the definition of Affiliate above.
- “FMR Group” : shall have the meaning ascribed to it in the definition of Affiliate above.
- “Fourth Threshold Amount” : shall have the meaning ascribed to it in Article 111.1(d) of these Special Articles.
- “Fully Diluted Basis” : shall mean the total of all classes and series of Shares of the Company (including existing, issued and subscribed) outstanding combined with all options (including both issued, un-issued and employee stock option shares, if any), warrants (including both issued and un-issued) and convertible securities of all kinds and the effect of any anti-dilution protection regarding previous financings, all on an “As Converted Basis”.
- “Governmental Authority” : shall mean any government, or any governmental, legislative, executive, administrative, fiscal, judicial, revenue or other regulatory, authority, body, board, ministry, department, commission, tribunal, agency, instrumentality or other

governmental Person exercising legislative, executive, administrative, fiscal, judicial, revenue or regulatory functions (including any court, tribunal, mediator or arbitrator of competent jurisdiction), having jurisdiction over the matter in question, whether as of the Effective Date or thereafter and includes any relevant Taxation Authority.

- “Guarantee” : of or by a specified Person, means any obligation, contingent or otherwise, of such specified Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any Person in any manner whatsoever.
- “Highest Investor Offer Price” : shall have the meaning ascribed to it in Article 113.4(f) of these Special Articles.
- “Highest Investor Offer Price ROFO Accepting Investor” : shall have the meaning ascribed to it in Article 113.4(f)(i) of these Special Articles.
- “Identical ROFO Price” : shall have the meaning ascribed to it in Article 113.4(e) of these Special Articles.
- “Indebtedness” : shall mean with respect to any Person, all indebtedness of such Person (whether present, future or contingent) and includes without limitation (a) all liabilities or obligations of such Person for borrowed money or with respect to advances of any kind, whether or not evidenced by a Contract; (b) all obligations of such Person for the deferred purchase price of property, goods or services; (c) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on the property of such Person; and (d) all Guarantees by such Person.
- “Indian GAAP” : shall mean, in respect of any company, generally accepted accounting principles, standards and practices as applicable in India.
- “Individual Reserved Matters” : shall have the meaning ascribed to it in Article 112.12(e) of these Special Articles.
- “Intellectual Property Rights” : means all intellectual property, including patents, inventions (whether or not patentable and whether or not reduced to practice), utility models, trade and service marks, trade names and the goodwill associated therewith, domain names, right in designs, copyrights, rights in databases, proprietary rights, technical, commercial or financial information of a proprietary or confidential nature (including without limitation manufacturing and production processes and techniques, improvements, customer proposals, customer and supplier information, technical and computer data and software), trade secrets and know-how, in all cases whether or not registered or registrable and including registrations and applications for registration or renewal of any of these, and all rights to apply for the same, rights to receive equitable remuneration in respect of any of these and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world.
- “Investor Directors” : shall mean the New Investor Directors (or their alternate Directors) and the Existing Investors Directors (or their alternate Directors) and the Aptuit Director (or his/her alternate Director).

“Investor Offer Price”	:	shall have the meaning ascribed to it in Article 113.4(b)(ii) of these Special Articles.
“Investor’s QIPO Merchant Banker”	:	shall have the meaning ascribed to it in Article 110.2.1(i) of these Special Articles.
“Investor’s Qualified IPO”	:	shall have the meaning ascribed to it in Article 110.2.1(i) of these Special Articles.
“Investors”	:	shall mean Aptuit Asia, the Existing Investors and the New Investor.
IPO Long Stop Date	:	shall mean June 30, 2017 or such later date as maybe mutually agreed in writing between the Company, Aptuit Asia, Existing Investors and the New Investor.
“IRS”	:	shall have the meaning ascribed to it in Article 112.14.4 of these Special Articles.
“Issued Share Capital”	:	shall mean the aggregate issued share capital of the Company at the relevant time.
“Key Personnel”	:	shall have the meaning ascribed to it under the Agreement.
“Laurus Employees Trust”	:	shall have the meaning ascribed to it under the Agreement.
“Management Team”	:	shall mean 1 (one) level/ grade of employees immediately below the managing director/ chief executive officer of the Company.
“Material Contract”	:	shall mean a Contract of the Company which, whether by reason of its nature, term, scope, consideration or otherwise is or is likely to be, of material importance to the Company Business, profits or any of the Assets of the Company.
“Material Subsidiaries”	:	shall have the meaning ascribed to it under the Agreement.
“Maximum Buy Back Shares”	:	shall have the meaning ascribed to it in Article 110.3.1(ii)(c) of these Special Articles.
“Memorandum”	:	shall mean the memorandum of association of the Company, as amended from time to time.
“MIS”	:	shall mean the monthly information statement to be delivered by the Company to the Investors, in a form mutually acceptable to the Company, Promoters Group and the Investors.
“New Investor”	:	shall mean Bluewater Investment Ltd. a limited liability company incorporated under the laws of Mauritius and having its registered office at c/o Warburg Pincus Asia Ltd, 8 th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius.
“New Investor Approved Return”	:	shall have the meaning ascribed to it under the Agreement.
“New Investor Lock-in Period”	:	shall mean, for the New Investor the period commencing on the Closing Date and ending on the date that is 1 (one) year from the Closing Date.

- “New Investor Directors” : shall have the meaning ascribed to it in Article 112.2(iii) of these Special Articles.
- “New Investor Investment Amount” : shall have the meaning ascribed to it under the Agreement.
- “New Investor Sale Shares” : shall mean 163,242 (One Hundred and Sixty Three Thousand Two Hundred and Forty Two) Series B Preference Shares and 3,731,383 (Three Million Seven Hundred Thirty One Thousand Three Hundred and Eighty Three) Equity Shares acquired by the New Investor in accordance with the terms and conditions of the Share Purchase Agreements.
- “New Investor Securities” : shall mean New Investor Subscription Shares and New Investor Sale Shares (including any Equity Shares issued to the New Investor upon conversion of any relevant New Investor Subscription Shares and/or New Investor Sale Shares, as adjusted for all Adjustment Events) and shall include any other Shares subscribed or acquired by the New Investor in the Company from time to time in accordance with the terms of the Agreement and these Special Articles, and all references to such term shall be construed accordingly.
- “New Investor Subscription Shares” or “New Investor Preference Shares” : shall mean 4,153,399 (four million one hundred fifty three thousand three hundred ninety nine) Series C Preference Shares subscribed by the New Investor in accordance with the terms and conditions contained in the Agreement.
- “Non Defaulting Investors” : shall have the meaning ascribed to it in Article 113.4(e)(ii) of these Special Articles.
- “Offer Price” : shall have the meaning ascribed to it in Article 113.5(b) of these Special Articles.
- “Offered Shareholder” : shall have the meaning ascribed to it in Article 113.10(c) of these Special Articles.
- “Original Director” : shall have the meaning ascribed to it in Article 112.5(a) of these Special Articles.
- “Original Meeting” : shall have the meaning ascribed to it in Article 112.4(b) of these Special Articles.
- “Other Investors” : (a) With reference to the New Investor, shall mean the Existing Investors and Aptuit Asia,
(b) With reference to the Existing Investors, shall mean the New Investor and Aptuit Asia; and
(c) With reference to Aptuit Asia, shall mean the New Investor and the Existing Investors.
- “Other Investors Buyback Participation Notice” : shall have the meaning ascribed to it in Article 110.3.1(i) of these Special Articles.
- “Other Promoter Group Members” : shall mean persons listed in the Agreement.
- “Participating” : shall have the meaning ascribed to it in Article 110.3.1(i) of these

Investor”	Special Articles.
“Participating Investor Buy Back Shares”	: shall have the meaning ascribed to it in Article 110.3.1 (i) of these Special Articles.
“Parties”	: shall mean the Company, Promoter Associates, Existing Investors, Aptuit Asia and New Investor.
“Permit”	: shall mean any license, permit, certificate, authorization, approval, consent, registration, order, or similar authority issued or granted by any Governmental Authority under or pursuant to Applicable Law.
“Permitted Pledge”	: shall mean a security interest by way of pledge that may be created by: (a) any of the members of the Promoter Group over their Shares to secure the borrowings of the Company pursuant to financing documents entered into by the Company with its lenders; and/ or (b) any of the Associates over their Shares to secure loans availed by them for their personal purposes, and which, in each case, is informed to the Board.
“Permitted Transfer”	: shall mean a Transfer by an Investor of any of its respective Shares to any of its Affiliates provided the transferee continues to remain an Affiliate and has executed a Deed of Adherence.
“Person”	: shall mean any individual, Hindu undivided family, sole proprietor, corporation, limited or unlimited liability company, body corporate, partnership (whether limited or unlimited), joint venture, estate, trust, union, unincorporated association or organization, firm, Governmental Authority or other enterprise, association, organization or entity whether or not required to be incorporated or registered under Applicable Law.
“Preference Dividend”	: shall have the meaning ascribed to it in the Agreement.
“Preference Shares”	: shall mean collectively, the Series A Preference Shares, the Series B Preference Shares and Series C Preference Shares.
“Promoter”	: shall mean Dr. Chava Satyanarayana, son of C. Rama Rao, Indian inhabitant, residing at H.No.8-2-293/82/A/303, Plot No.303, Road No.25, Jubilee Hills, Hyderabad - 500 033, India.
“Promoter Associates”	: shall mean the Promoter Group and the Associates.
“Promoter Directors”	: shall have the meaning ascribed to it in Article 112.2(ii) of these Special Articles.
“Promoter Group”	: shall mean the Promoter and the Other Promoter Group Members.
“Promoter Group Lock-in Period”	: shall mean, the period commencing on the Closing Date and ending on the date that is 24 (twenty four) months from the Closing Date.
“Promoter Group	shall have the meaning ascribed to it in Article 113.5(b) of these

ROFO Notice”	Special Articles.
“Promoter Pledge”	: shall have the meaning ascribed to it under the Agreement.
“Promoter Preference Shares”	: shall mean 460,926 (four hundred sixty thousand nine hundred twenty six) Series B Preference Shares held by the Promoter as on the Effective Date and 310,926 (three hundred ten thousand nine hundred and twenty six) Series B Preference Shares held by the Promoter as on the Closing Date.
“Promoter Purchase Price”	: shall have the meaning ascribed to it under the Agreement.
“Promoter Subscription Price”	: shall have the meaning ascribed to it under the Agreement.
“Subsidiary”	: shall have the meaning specified in section 2(87) of the Companies Act, 2013.
“Proposed Sale”	: shall have the meaning ascribed to it in Article 113.6(a) of these Special Articles.
“QIPO Merchant Banker”	: shall have the meaning ascribed to it in Article 110.1.1(ii) of these Special Articles.
“Qualified IPO”	: shall have the meaning ascribed to it under the Agreement.
“Qualified IPO Target Date”	: shall have the meaning ascribed under the Agreement.
“Qualifying Affiliate”	: shall have the meaning ascribed to it in Article 113.9 of these Special Articles.
“Real Property”	: means land, buildings or parts of buildings (whether the division is horizontal, vertical or made in any other way), premises, structures, erections and fixtures situated or forming a part of any of the foregoing and a right, privilege or benefit in, over or derived from land and any other immovable properties of any nature whatsoever.
“Relative”	: shall mean, with reference to any Person who is an individual, the father, mother, wife, brother, brother’s wife, sister, sister’s husband, son, son’s wife, daughter and daughter’s husband of such Person.
“Related Party/ies”	: shall mean the Company, each of the Promoter Associates, and the respective Affiliates, shareholders, directors and senior management personnel of the foregoing Persons.
“Relevant Directors”	: shall have the meaning ascribed to it in Article 112.4(a) of these Special Articles.
“Relevant Representatives”	: shall have the meaning ascribed to it in Article 112.13 (c) of these Special Articles.
“Renouncing Shareholder”	shall have the meaning ascribed to it in Article 113.10(d) of these Special Articles.
“Reserved Matters”	: shall mean any of the Joint Reserved Matters or the Individual Reserved Matters.
“Resident Sale”	: shall have the meaning ascribed to it in the Resident Share Purchase

Shares”		Agreement.
“Resident Share Purchase Agreement”	:	shall mean the share purchase agreement dated May 2, 2014 between the New Investor, the Company, Existing Investor 2 and certain other shareholders of the Company that provides for the purchase of the Resident Sale Shares by the New Investor subject to the terms and conditions specified therein.
“Joint Reserved Matters”	:	shall have the meaning ascribed to it in Article 112.12(a) of these Special Articles.
“respective Seller Pro-Rata Transfer Shares”	:	shall have the meaning ascribed to it in Article 113.4(e)(i) of these Special Articles.
“respective Tag-Along Shares”	:	shall have the meaning ascribed to it in Article 113.6(b) of these Special Articles.
“ROFO Accepting Investor”	:	shall have the meaning ascribed to it in Article 113.4(d) of these Special Articles.
“ROFO Notice” or “respective ROFO Notice”	:	shall have the meaning ascribed to it under Article 113.4(b) of these Special Article.
“Sale Notice”	:	shall have the meaning ascribed to it in Article 113.6(a) of these Special Articles.
“Sale Shares”	:	shall have the meaning ascribed to it in Article 113.6(a)(ii) of these Special Articles.
“Sale Terms”	:	shall have the meaning ascribed to it in Article 113.6(a)(iii) of these Special Articles.
“SEBI”	:	shall mean the Securities and Exchange Board of India.
“Seller”	:	shall have the meaning ascribed to it in Article 113.4(a) of these Special Articles.
“Seller Sale Shares”	:	shall have the meaning ascribed to it in Article 113.6(a)(ii) of these Special Articles.
“Seller Transfer Notice”	:	shall have the meaning ascribed to it in Article 113.4(a) of these Special Articles.
“Seller Transfer Shares”	:	shall have the meaning ascribed to it in Article 113.4(a) of these Special Articles.
“Series A Preference Shares”	:	shall mean 2,259,060 (Two Million Two Hundred Fifty Nine Thousand and Sixty) compulsorily convertible participatory cumulative preference shares of par value of Rs. 10 (Rupees ten) each in the capital of the Company, convertible into Equity Shares and having the rights specified in the Terms and Conditions of the Series A Preference Shares.
“Series B Preference Shares”	:	shall mean means the compulsorily convertible preference shares of par value of Rs. 243 (Rupees two hundred forty-three) in the capital of the Company, convertible into Equity Shares and having the rights specified under the Agreement.

“Series C Preference Shares”	:	shall mean the compulsorily convertible preference shares of par value of Rs. 10 (Rupees Ten only) in the capital of the Company, convertible into Equity Shares and having the rights specified in the Agreement.
“Shares”	:	shall mean all classes of shares of the Company including without limitation, the Equity Shares, the Preference Shares, the Equity Shares to be issued upon conversion of the Preference Shares in accordance with the Terms and Conditions of the Preference Shares and all other kinds of securities, warrants or options convertible into Equity Shares.
“Share Purchase Agreements”	:	shall mean, collectively, the Existing Investor 1 Share Purchase Agreement and the Resident Share Purchase Agreement.
“Shareholder”	:	shall mean from time to time any Person in whose name Shares are registered in the Company’s register of members and/ or register of preference shares, and “Shareholders” means all of them. For avoidance of doubt, a Party Shareholder shall be a Shareholder for so long as any Share is registered in the name of such Party Shareholder in the Company’s register of members and/ or register of preference shares.
“Stake Sale”	:	shall have the meaning ascribed to it in Article 110.4 of these Special Articles.
“Stake Sale Purchaser”	:	shall have the meaning ascribed to it in Article 110.4 of these Special Articles.
“Stake Sale Seller”	:	shall have the meaning ascribed to it in Article 110.4 of these Special Articles.
“Tag-Along Exercise Period”	:	shall have the meaning ascribed to it in Article 113.6(b) of these Special Articles.
“Tag-Along Notice” or “respective Tag-Along Notice”	:	shall have the meaning ascribed to it in Article 113.6(b) of these Special Articles.
“Tag Offeree”	:	shall have the meaning ascribed to it in Article 113.6(a) of these Special Articles.
“Tag Seller”	:	shall have the meaning ascribed to it in Article 113.6(a) of these Special Articles.
“Terms and Conditions of the Preference Shares”	:	shall mean collectively, the Terms and Conditions of the Series A Preference Shares and the Terms and Conditions of the Series B Preference Shares and the Terms and Conditions of the Series C Preference Shares.
“Terms and Conditions of the Series A Preference Shares”	:	shall have the meaning ascribed to it under the Agreement.
“Terms and Conditions of the Series B Preference Shares”	:	shall have the meaning ascribed to it under the Agreement.

“Terms and Conditions of the Series C Preference Shares”	:	shall mean the terms and conditions of the Series C Preference Shares as set out in the Agreement and the share certificates.
“Transaction Documents”	:	shall mean the Agreement, the Share Purchase Agreements and all other agreements, documents, certificates, etc. required to be executed and/ or delivered pursuant to the Agreement, the Share Purchase Agreements in respect of the transactions contemplated in the Agreement and the Share Purchase Agreements.
“Transfer”	:	Includes: (a) any transfer or other disposition of the Shares or voting interests or any interest therein, including, without limitation, by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment; (b) any sale, assignment, gift, donation, redemption, or other disposition of such Shares or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such Shares or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (c) the granting of or permitting to subsist any Encumbrance in, or extending or attaching to, such Shares or any interest therein.
“Transfer Notice”	:	shall have the meaning ascribed to it in Article 113.5(a) of these Special Articles.
“Transfer Shares”	:	shall have the meaning ascribed to it in Article 113.5(a) of these Special Articles.
“Transfer Threshold”	:	shall have the meaning ascribed under the Agreement.
“Triggering Investor”	:	shall have the meaning ascribed to it in Article 110.3.1 of these Special Articles.
“Triggering Investor Buy Back Shares”	:	shall have the meaning ascribed to it in Article 110.3.1 of these Special Articles.
“Winding Up”	:	shall mean dissolution, voluntary or involuntary liquidation or winding up of the Company as defined in the Act; or undertaking any act or omission which has the effect of liquidation/ bankruptcy of the Company; or passing a resolution for voluntary winding up or dissolution; or a receiver or liquidator being appointed in respect of any Asset of the Company; or a petition for winding up or liquidation of the Company is admitted by a competent court.

109. **Rights attached to the Preference Shares**

The Series C Preference Shares issued and allotted to the New Investor in accordance with the Agreement shall have the rights set out in the Agreement. The Series B Preference Shares and the Series A Preference Shares shall have the rights set out in the Agreement.

110. EXIT

110.1 Qualified IPO

110.1.1 The Company and the Promoter Group shall provide an exit to the Investors by undertaking a Qualified IPO not later than the Qualified IPO Target Date, subject to the following conditions:

- (i) The Qualified IPO shall be effected through:
 - (i) The issue of new Equity Shares; and/or
 - (ii) An offer for sale of existing Equity Shares.
- (ii) The Company shall, with the consent of each of the New Investor and the Existing Investors in accordance with Article 112.12, appoint a merchant banker for the Qualified IPO (“**QIPO Merchant Banker**”) to complete the process. The New Investor and the Existing Investors shall not unreasonably withhold their respective consents for appointment of the QIPO Merchant Banker. The timing, price, mechanism and the total number of Equity Shares to be offered in the Qualified IPO and specifically the number of Equity Shares that can be offered by a divestiture of all or a part of the Equity Shares held by all the Shareholders of the Company in a Qualified IPO shall be as determined by the QIPO Merchant Banker in consultation with the Promoter Group, the New Investor and the Existing Investors.
- (iii) The Parties shall ensure that:
 - (i) Subject to Applicable Law, the Qualified IPO shall be structured in a way such that none of the Investors will be considered as, or deemed to be, a “promoter”, and none of the respective Shares of any of the Investors will be considered as, or deemed to be, “promoter shares” under Applicable Law with respect to public offerings (including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), and subject to Applicable Law, the Qualified IPO shall be undertaken in a manner that does not result in the imposition of any lock-in/ moratorium as a ‘promoter’ in respect of any dealing in Shares of the Company by any of the Investors;
 - (ii) Unless required by the QIPO Merchant Banker or by Applicable Law, none of the Investors shall be required to give any representation, warranty or indemnity whatsoever in connection with the Qualified IPO, including to the QIPO Merchant Banker other than (severally and not jointly) the warranties that (A) the Shares, if any, offered for sale by the relevant Investor in the Qualified IPO, have clear title and are free from Encumbrances; and (B) the offering for sale of such Shares does not in any manner violate Applicable Law;
 - (iii) Notwithstanding anything contained in Article 110.1.1(iii)(i) and (ii) above, if Applicable Law requires (a) any Shares held by the Investors are required to be mandatorily locked-in for more than 1 (one) year for the purpose of the Qualified IPO, (b) any of the Investors and/or their Affiliates to be categorized as “promoters”, and/or (c) any representations and warranties over and above what is specified under Article (ii) above, the Parties shall use best efforts and undertake such actions as may be required to give effect to the intention of the Parties as set out under Articles (i) and (ii) above.
 - (iv) To the extent that an Investor Director, is required under Applicable Law to give any other representation, warranty, indemnity or covenant (collectively, “**Director Undertaking**”) in connection with the Qualified IPO, the Promoter and the Company shall be jointly and severally liable to in turn secure, reimburse, indemnify, defend and hold harmless such Investor Director on written demand, from and against any and all direct and actual loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from such Director Undertaking relating to the Company, provided such Director Undertaking is in

form and substance approved by the Company and the Promoter.

- (iv) In the event the Qualified IPO (including an Approved Qualified IPO) is effected in whole or in part by way of an offer for sale, of existing Equity Shares, then each Investor shall, subject to Article 110.1.1(i), have the right (and the Promoter Group and the Company shall ensure that each Investor shall be entitled) but not the obligation to offer up to all of its respective Equity Shares in the offer for sale in priority to the Promoter Associates provided that where the aggregate of the number of Equity Shares proposed to be offered for sale by each Investor that proposes to offer Equity Shares exceeds the maximum number of shares that can be offered under Applicable Law, then each such Investor shall be entitled to offer for sale, such number of its respective Equity Shares as is in proportion to the then inter-se shareholding of the Investors in the Company on a Fully Diluted Basis based on such maximum number of Equity Shares.
- (v) Unless otherwise required by Applicable Law, the reasonable costs and expenses relating to the Qualified IPO (including QIPO Merchant Bankers' fee, underwriting, selling and distribution costs) shall be borne by the Company, whether such Qualified IPO is effected through the issue of new Equity Shares and/ or offer for sale of existing Equity Shares (including the respective Equity Shares of the Investors).
- (vi) The Company and the Promoter Group shall, at their own cost (i) obtain all the relevant Consents, statutory or otherwise that are necessary to provide for a Qualified IPO, and (ii) complete the process of the Qualified IPO, in accordance with the terms of these Special Articles. Upon the Investors offering the Equity Shares held by the Investors for sale at the time of the Qualified IPO, the Company and the Promoter Group shall comply with and complete all necessary formalities to ensure such listing.
- (vii) In the event the Company conducts the Qualified IPO in accordance with the terms of these Special Articles, the Investors shall (i) exercise their voting rights at the concerned meetings of the Board and Shareholders of the Company to facilitate such Qualified IPO; (ii) and shall cause their nominated Directors to execute the documents or take any actions required under Applicable Law in relation to the Qualified IPO; and (iii) provide all reasonable assistance to the Company and the Promoter to give effect to this Article 110.

110.2 Investor's Qualified IPO

110.2.1 In the event, the Qualified IPO is not completed on or before the Qualified IPO Target Date or the Extended Qualified IPO Target Date (if applicable) in the manner set out in Article 110 above, then, notwithstanding any provision set out in the Agreement and/or these Special Articles, but subject to Article 112.12 (only to the extent such rights are available in accordance with Article 110.2.1(v)), each of the Existing Investors and the New Investor shall at any time thereafter, have the right but not the obligation, exercisable at their respective sole discretion and option to undertake the following:

- (i) To appoint a merchant banker (the "**Investor's QIPO Merchant Banker**") at the cost of the Company and to require the Company and the Promoter Group to, based on the recommendation of the Investor's QIPO Merchant Banker, complete an initial public offering by way of issue of new Equity Shares or an offer for sale of such number of its respective Equity Shares or a combination of both which results in the listing and commencement of trading of the Equity Shares on a recognized stock exchange (in India or otherwise) acceptable to such Investor(s) ("**Investor's Qualified IPO**") on such terms as the Investor's QIPO Merchant Banker and the Investor exercising the right under this Article 110.2.1 may determine from time to time and communicate to the Company by notice in writing.
- (ii) The Promoter Group and the Company shall Co-operate for the purposes of the Investor's Qualified IPO. In addition, the Promoter Group, the Company and all the Shareholders shall provide all necessary assistance to achieve the Investor's Qualified IPO. In particular, but without limitation, the Company and the Promoter Group shall:
 - a) Appoint the Investor's QIPO Merchant Banker to advise on, manage and implement, the Investor's Qualified IPO;

- b) Provide all information and access to the records and materials of the Company to the Investor's QIPO Merchant Banker and permit the Investor's QIPO Merchant Banker to carry out all necessary tasks permitted by Applicable Law to enable the Investor's QIPO Merchant Banker and the Investors to agree on the terms of the Investor's Qualified IPO;
 - c) Subject to Applicable Law, bear all reasonable costs relating to exercise of the Investors' rights under this Article 110.2 (including without limitation the Investor's QIPO Merchant Banker's fee, underwriting, selling and distribution costs).
- (iii) In the event of an offer for sale of existing Equity Shares, each Investor shall have the right (and the Promoter Group and the Company shall ensure that each Investor shall be entitled) to offer up to all of its respective Equity Shares in the offer for sale in priority to the Promoter Associates provided that where the aggregate of the number of Equity Shares proposed to be offered for sale by the offering Investors exceeds the maximum number of Equity Shares that can be offered under Applicable Law, then each offering Investor shall be required to offer for sale, such number of its respective Equity Shares as is in proportion to their then inter-se shareholding in the Company on a Fully Diluted Basis based on such maximum number of Equity Shares. It is hereby clarified that subject to this Article 110.2.1(iii) (i.e. to the extent of any available headroom) the members of the Promoter Group shall have a right to participate in such Investor's Qualified IPO.
- (iv) Without prejudice to the rights of the Investors under Article 110.2.1(iii) above, in the event the Existing Investors and/ or the New Investor offers all (but not less than all) of their respective Shares in the offer for sale, the Promoter Associates and/or the Company shall, as may be advised by the Investor's QIPO Merchant Banker, provide such number of Shares (whether through the issue of new Shares by the Company and/ or from the shareholding of the Promoter Associates in the Company) as may be required to constitute the minimum number of Shares required to obtain a listing of the Shares on the relevant recognized stock exchange under Applicable Law; and nothing contained in Article 113.4 and Article 113.6 shall apply to any transfer of Shares by the Promoter Associates in the Investor's Qualified IPO and in accordance with this Article 110.2.1(iv). It is clarified that the Promoter Associates and the Company shall have the aforesaid obligation only if the Existing Investors and/ or the New Investor offer all (but not less than all) of their respective Shares in the offer for sale.
- (v) Notwithstanding anything contained hereunder:
- (a) the Existing Investors and the New Investor, acting jointly, shall have an unfettered right, but not the obligation, to agree to extend the Qualified IPO Target Date as provided under the Agreement and these Special Articles, (the "**Extended Qualified IPO Target Date**"); and
 - (b) if the Investor's QIPO Merchant Banker provides an opinion (in writing) that the net proceeds raised from such Investor's Qualified IPO shall provide (i) if the Existing Investors trigger the Investor's Qualified IPO, the New Investor with the New Investor Approved Return; or (ii) if the New Investor trigger the Investor's Qualified IPO, the Existing Investors with the Existing Investors Approved Return, then the New Investor or the Existing Investors (as the case may be) shall not be able to exercise any of their respective rights under Article 112.12 in this regard; provided however that the New Investor (if the Existing Investors trigger the Investor's Qualified IPO) or Existing Investors (if the New Investor triggers the Investor's Qualified IPO) shall have the right to be consulted (on a non-binding basis) in relation to the terms of the Investor's Qualified IPO.

110.3 Buy Back

- 110.3.1 In the event that, the Qualified IPO or the Investor's Qualified IPO is not completed by the Qualified IPO Target Date or the Extended Qualified IPO Target Date (if applicable) in accordance with the Agreement and these Special Articles for any reason whatsoever, notwithstanding any provision set out

in the Agreement and/or these Special Articles (including, for the avoidance of doubt, Article 112.12), each of the Existing Investors and the New Investor (the “**Triggering Investor**”) shall at any time thereafter, have the right, exercisable at their respective sole discretion to require the Company to buy back (the “**Buy Back Option**”) all (but not less than all) of the Shares held by the Triggering Investor (the “**Triggering Investor Buy Back Shares**”) by sending a written notice to this effect (“**Buy Back Notice**”) to the Company and the Promoter Group and the Other Investors whereupon the following shall apply:

- (i) Within 21 (twenty-one) calendar days of the date of the Buy Back Notice, the Other Investors may serve a notice in writing to the Company (with a copy to the Triggering Investor) (the “**Other Investors Buyback Participation Notice**”) indicating that it/they wish to participate in the buy back (“**Participating Investor(s)**”). If the Participating Investor(s) delivers such a notice within the aforesaid period of 21 (twenty-one) calendar days, such notice shall constitute a binding obligation on the Participating Investor(s) to tender all (but not less than all) of its/their respective Shares (“**Participating Investor Buy Back Shares**”) in the buy back. If the Other Investor who is not the Participating Investor fails to deliver such a notice it shall be deemed to have served a notice stating that it does not wish to participate in the buy back.
- (ii) Within 21 (twenty one) calendar days from the date of expiry of the 21 (twenty one) calendar days period referred to in Article 110.3.1(i) above, the Company shall serve a notice in writing (the “**Buy Back Response Notice**”) to the Triggering Investor and the Participating Investor(s) indicating any one of the following:
 - (a) that the Company has sufficient reserves and cash flows (after deducting amounts committed as per the Annual Budget and existing contractual commitments of the Company) to buy back all of the Triggering Investor Buy Back Shares and the Participating Investor Buy Back Shares (if applicable) (together the “**Buy Back Shares**”) at the Buy Back Price;
 - (b) that the Company shall raise funds in order to buy back all of the Buy Back Shares at the Buy Back Price; or
 - (c) that the Company does not have sufficient reserves and cash flows (after deducting amounts committed as per the Annual Budget and existing contractual commitments of the Company) to buy back all of the Buy Back Shares at the Buy Back Price or is not capable of buying back all of the Buy Back Shares as a result of Applicable Law or statutory ceiling (and indicating, in each case, the maximum number of Buy Back Shares that the Company is capable of buying back at the Buy Back Price (the “**Maximum Buy Back Shares**”)).
- (iii) Upon delivery of a Buy Back Response Notice by the Company pursuant to Article 110.3.1(ii)(a) or Article 110.3.1(ii)(b), the Company shall be bound to (and the Promoter Group shall cause the Company to) buy back and the Triggering Investor and the Participating Investor(s) shall be bound to tender all (but not less than all) of the Triggering Investor Buy Back Shares and the Participating Investor Buy Back Shares within the Buy Back Period (as applicable). The buy back shall be in accordance with all Applicable Laws and, subject to Applicable Laws relating to pricing of such Shares, shall be at the price as provided under the Agreement. (each such price being the “**Buy Back Price**”).
- (iv) In the event the Company delivers a Buy Back Response Notice pursuant to Article 110.3.1(ii)(c), the Triggering Investor and the Participating Investor(s) shall each have the right but not the obligation to deliver to the Company and the Promoter Group (with a copy to the Other Investors) a notice in writing (the “**Part Buy Back Notice**”), within 21 (twenty one) calendar days of receipt of the Buy Back Response Notice pursuant to Article 110.3.1(ii)(c), requiring the Company to buy back such number of the Shares held by the Triggering Investor or the Participating Investor(s) (as the case may be) at the relevant time, which is (i) if only one of the Triggering Investor or the Participating Investor(s) (as the case may be) issue a Part Buy Back Notice, upto the Maximum Buyback Shares; or (ii) if both the Triggering Investor and the Participating Investor(s) issue a Part Buy Back Notice, such number of Shares, at the

relevant time that is, with reference to the number of the Maximum Buy Back Shares, proportionate to its inter-se shareholding in the Company between the Participating Investor(s) and the Triggering Investor (the “**Part Buy Back Shares**”).

- (v) Upon delivery of a Buy Back Response Notice by the Company pursuant to Article 110.3.1(ii)(c) and if the Triggering Investor and/or a Participating Investor has delivered a Part Buy Back Notice in accordance with Article 110.3.1(iv), the Company shall be bound to (and the Promoter Group shall cause the Company to) buy back, and the Triggering Investor and/or the Participating Investor(s) (as the case may be) shall be bound to tender, all of the Triggering Investor’s and/or Participating Investor’s (as the case may be) Part Buy Back Shares within the Buy Back Period (as applicable) at the Buy Back Price.
- (vi) For the purpose of this Article 110.3 “**Buy Back Period**” shall mean:
 - (a) for the purpose of Article 110.3.1(ii)(a), 90 (ninety) calendar days from the date of the Buy Back Response Notice;
 - (b) for the purpose of Article 110.3.1(ii)(b), 180 (one hundred eighty) calendar days from the date of the Buy Back Response Notice;
 - (c) for the purpose of Article 110.3.1(ii)(c), 90 (ninety) calendar days from the earlier of (i) the expiry of 21 (twenty one) calendar days of receipt of the Buy Back Notice by the Triggering Investor and the Participating Investor, and (ii) the date of the receipt of the last of Part Buy Back Notice from the Triggering Investor or the Participating Investor (as the case may be).
- (vii) The Company and the Promoter Group shall ensure that, subject to Applicable Law, they shall, take all steps necessary to allow the Company to satisfy its obligations under this Article 110.3, including obtaining all necessary Consents (statutory or otherwise) and otherwise extending all such cooperation as may be required to facilitate the exit of the Investors at the Company’s costs and charges. The Promoter Group shall not, and shall procure that the other Shareholders of the Company (other than the Investors) shall not tender any Shares held by them in the buy back to the extent that it prejudices the Triggering Investor and/ or the Participating Investor from transferring the Triggering Investor Buy Back Shares or the Triggering Investor Part Buy Back Shares or the Participating Investors Buy Back Shares or the Participating Investors Part Buy Back Shares, as applicable.
- (viii) In the event the buy back is conducted pursuant to a Buy Back Response Notice delivered by the Company under Article 110.3.1(ii)(a) or Article 110.3.1(ii)(b), the Participating Investor(s) shall be bound to tender all of the Participating Investor Buy Back Shares and participate in the buy back on the same terms (other than price, if price is not the Fair Market Value, in which case the price for each Investor shall be the respective Buy Back Price, as applicable to such Investor) as the Triggering Investor.
- (ix) All reasonable costs, fees and expenses in relation to the exercise of the Buy Back Option, including any legal and professional fees of the Investors and stamp duties and other costs shall be solely borne by the Company.
- (x) Notwithstanding any other provision in the Agreement and these Special Articles, the Promoter Group shall (and shall procure that the other Promoter Associates shall) and the Investors shall, vote in the Company in favor of any proposal intended to implement the provisions of this Article 110.3. The Investors shall provide requisite representations, warranties and indemnities to the Company in relation to (i) the title of the Investors over their respective Shares being tendered for buy back, if any, and (ii) (other than the pre-emptive rights and other rights contained under the Agreement and these Special Articles) the Shares being free from Encumbrance.
- (xi) For the avoidance of doubt, in the event the buy back is conducted pursuant to a Buy Back Response Notice delivered by the Company under Article 110.3.1(ii)(c), the aggregate of the Part Buy Back Shares shall not exceed the Maximum Buy Back Shares.

- (xii) In the event that the Company fails to buy back and/ or the Promoter Group fails to procure that the Company buy back the Triggering Investor Buy Back Shares, the Participating Investor Buy Back Shares and/or any of the Part Buy Back Shares tendered by the Triggering Investor and/or the Participating Investor(s) in accordance with the provisions of Article 110.3.1(iii), 110.3.1(v) or 110.3.1(viii) (as the case may be), other than as a result of (1) a default of the Triggering Investor and/ or the Participating Investor(s) (if any); (2) an event beyond the control of the Company and the Promoter Group; or (3) the non-receipt of a specific Permit of any Governmental Authority whose permission is required under Applicable Law for the purchase of the Triggering Investor's Buy Back Shares, the Participating Investors Buy Back Shares or the relevant Part Buy Back Shares (as the case may be), then notwithstanding anything to the contrary in the Agreement and these Special Articles, the restriction on the Investors selling Shares to a Competitor shall no longer be applicable to the Investors.
- (xiii) It is hereby further clarified that upon any of the Investors issuing a Buy-Back Notice and/ or a Company Sale Notice, if any securities convertible into Equity Shares issued by the Company to the Investors have not been converted into Equity Shares as on the date of the relevant notice, the Investors, may (at their option, exercisable in their respective sole discretion) require the Company, and the Company shall, forthwith and in any event within 10 (ten) calendar days from the date of receipt of such request, undertake such steps as are necessary for converting such securities held by such Investors into Equity Shares in accordance with the provisions of the Agreement, these Special Articles and Applicable Law. It is clarified that, if the securities held by any of the Investors are not converted into Equity Shares, the shareholding of such Investors in the Company shall be considered on a Fully Diluted Basis for the purposes of Article 110.3.
- (xiv) The Parties shall ensure that, if either of the New Investor or the Existing Investors have exercised their rights under Article 110.2, the Existing Investors or the New Investor, as the case may be, shall not initiate the Buy Back Option under this Article 110.3 for a period of 6 (six) months from the date of appointment of the Investor's QIPO Merchant Banker.

110.4 Stake Sale

If either the New Investor or the Existing Investors have exercised any of their rights under Article 110.3 and continue to hold any Shares in the Company, then in addition and without prejudice to the rights of the New Investor and the Existing Investors under the Agreement and these Special Articles, at any time after the date of the Buy Back Response Notice, the Existing Investors and the New Investor (each, a "**Stake Sale Seller**") shall have the right exercisable at their respective sole discretion, to Transfer, subject to Article 113.5A (only in the event the Transfer is to a third Person not being a Financial Investor)) and subject to Article 113.5, all or any of their respective Shares held at such time (such Transfer, a "**Stake Sale**") to a third Person (not being a Competitor, except with the consent of the Promoter or except as otherwise permitted in accordance with Article 110.3.1(xii)) as may be identified by the Stake Sale Seller (the "**Stake Sale Purchaser**") and at such consideration as may be agreed between the Stake Sale Seller and the Stake Sale Purchaser subject to Clause 22.2 of the Agreement with or without the rights available to the Stake Sale Seller hereunder. Provided that where all the respective Shares of the Stake Sale Seller are being Transferred to the Stake Sale Purchaser:

- (a) if the Stake Sale Seller sells all of its Shares to the Stake Sale Purchaser, the timelines for exit of the Stake Sale Purchaser under this Article 110 will be renegotiated between the Company, the Promoter, the Investors that continue to hold any Shares and the Stake Sale Purchaser failing which, the timelines for the exit rights under Article 110 shall be extended by 4 (four) years. For the avoidance of doubt, it is clarified that the renegotiated timeline for exit should only be applicable to the Stake Sale Purchaser. If the Other Investor(s) do not participate in the Stake Sale pursuant to Article (b) below, the Other Investor(s) shall continue to be entitled to their rights under the Agreement and these Special Articles in accordance with the terms and conditions as existed prior to such renegotiation; and
- (b) in the event the Stake Sale Purchaser is a third Person not being a Financial Investor, the Other Investor(s) shall have the right to participate in such Stake Sale to the Stake Sale

Purchaser by selling such number of their Shares in the Company as set forth in Article 113.6, by exercising a tag along right, and the Stake Sale Purchaser shall be required to purchase all such Shares offered by such Other Investor(s) pursuant to exercise of its rights hereunder. The timelines and process specified in Article 113.6 (other than in Article 113.6(c)(i), 113.6(c)(ii), 113.6(d)(iii), 113.6(f) and 113.6(g)) shall apply *mutatis mutandis* to the Transfer of Shares by such Other Investor(s) to the Stake Sale Purchaser provided however that, the term ‘Tag Seller’ shall refer to the Stake Sale Seller, the term ‘Tag Offeree’ shall refer to such Other Investor(s) and the term “Proposed Sale” shall refer to such Stake Sale.

110.5 Company Sale

110.5.1 In the event the New Investor or the Existing Investors have not been able to fully exit until the expiry of 24 (twenty four) months from the Qualified IPO Target Date or the Extended Qualified IPO Target Date (as the case may be), then notwithstanding any provision set out in the Agreement and these Special Articles (including for the avoidance of doubt, Article 112.12), but subject to Article 113.5,

- (i) Either (a) the New Investor and the Existing Investors jointly; or (b) the New Investor, provided that the Existing Investors shall receive a return as provided under the Agreement; or (c) the Existing Investors, provided that the New Investor shall receive a return as provided under the Agreement following such Company Sale (the “**Company Sale Initiating Investor(s)**”) shall have the right, exercisable in their respective sole discretion to identify a third Person (“**Company Sale Purchaser**”) to purchase not less than 51% (fifty-one percent) of the Issued Share Capital (including all of the respective Shares of the Investors) in accordance with the terms of this Article 110.5.1 (“**Company Sale**”). The Company Sale Initiating Investor(s) shall provide a notice in writing to the Promoter Group (with a copy to the Other Investors (the “**Non-Initiating Investor(s)**”) indicating its/their intention to initiate the Company Sale process (the “**Company Sale Notice**”).
- (ii) For this purpose, following issuance of the Company Sale Notice, the Company Sale Initiating Investor(s) shall appoint a merchant banker ranked among the top 10 (ten) merchant bankers in the Indian league tables published by Bloomberg at the relevant time (“**Company Sale Merchant Banker**”), to undertake the Company Sale process as set out under this Article 110.5 (including but not limited to identification of the Company Sale Purchaser). The Promoter Group and the Non-Initiating Investor(s) shall be entitled to make non-binding recommendations to the Company Sale Merchant Banker as to the identity of any purchaser who may be willing to participate in or undertake the Company Sale. As soon as practicable after its appointment, the Company Sale Merchant Banker shall send a written notice to the Company Sale Initiating Investor(s), confirming the identity of the Company Sale Purchaser, the terms and conditions (including price) proposed to be offered by the Company Sale Purchaser and the number of Shares willing to be acquired by the Company Sale Purchaser (“**Company Sale Terms**”). The Company Sale Initiating Investor(s) shall be entitled to approve or disapprove the Company Sale Terms. If the Company Sale Initiating Investor(s) approve the Company Sale Terms, the Company Sale Merchant Banker shall send a notice to the Promoter Group and the Non-Initiating Investor(s) containing the details of the Company Sale Terms (the “**Final Company Sale Notice**”).
- (iii) Where the Company Sale is for 100% (one hundred percent) of the Issued Share Capital:
 - (a) The Company Sale Initiating Investor(s) and/or Company Sale Merchant Banker shall not have any obligation to obtain the consent or permission of the Promoter Associates for the identity of the Company Sale Purchaser and/ or the Company Sale Terms;
 - (b) The Promoter Associates shall be bound to sell to the Company Sale Purchaser all of the Shares held by them in the Company on the same terms and conditions as the Company Sale Terms except that the Promoter Group shall give such representations, warranties, covenants (including transitional arrangements) and corresponding indemnities in connection with the Company Sale to the Company Sale Purchaser including in relation to the Company Business and the Shares sold by them as in each case are reasonable and customary in such transactions or similar to the

representations, warranties and indemnities provided by the Company and/or the Promoter under the Agreement and these Special Articles; provided however that the Promoter Group shall not be required to provide any representations, warranties and indemnities in relation to Aptuit Asia and/or those required to be provided by the Investor under Article 110.5.1(v) below;

- (c) The Non-Initiating Investors shall be bound to sell to the Company Sale Purchaser all of their respective Shares, subject to Article 110.5.1(v), on the same terms as the Company Sale Terms; and
 - (d) The Promoter Group shall cause the ESOP Shareholders to sell to the Company Sale Purchaser all of the Shares held by them in the Company on the same terms and conditions as the Company Sale Terms.
- (iv) Where the Company Sale is for less than 100% (one hundred percent) of the Issued Share Capital:
 - (a) The Company Sale Initiating Investor(s) shall sell to the Company Sale Purchaser all (and not less than all) of their respective Shares on the Company Sale Terms;
 - (b) The Non-Initiating Investor(s) shall have the right to sell to the Company Sale Purchaser all of its/their respective Shares on the Company Sale Terms subject to Article 110.5.1(v) below;
 - (c) The Promoter Group shall (and shall procure that the other Promoter Associates shall) sell to the Company Sale Purchaser such number of their Shares as may be required to effect such Company Sale on the Company Sale Terms, subject to Article 110.5.1(v) below;
 - (d) The members of the Promoter Group, acting jointly and not severally, shall have the right to either:
 - (A) Negotiate and agree with the Company Sale Purchaser the rights and obligations of the Promoter Group and the Company Sale Purchaser, prior to the completion of the Company Sale; or
 - (B) Require that the Company Sale Initiating Investor(s) and the Company Sale Merchant Banker include in the sale to the Company Sale Purchaser on the Company Sale Terms, all or any of the remaining Shares held by the Promoter Associates in the Company that are not included in the sale to the Company Sale Purchaser under such Company Sale; or
 - (C) Decline to sell any of their Shares to the Company Sale Purchaser under such Company Sale (in which case the Investors shall not have any obligation to sell any of their respective Shares to the Company Sale Purchaser).
- (v) The Existing Investors, Aptuit Asia and the New Investor shall not be required to give any representation, warranty or indemnity whatsoever in connection with the Company Sale, including to the Company Sale Purchaser, other than (i) that the Shares offered for sale by such Investors have clear title and are free and clear from Encumbrances; (ii) that the offering for sale of such Shares does not in any manner violate Applicable Law; and (iii) such representations in respect of the sale of Shares held by such Investors (as may be acceptable to such Investors) as are reasonable and customary in such transactions. Any liability of the Existing Investors, Aptuit Asia and the New Investor with respect to or arising from the Company Sale shall be limited to the amount received by such Investor in connection with the Company Sale.
- (vi) The Company and the Promoter Group shall ensure that they shall, take all steps necessary to facilitate the Company Sale under this Article 110.5, including without limitation obtaining all

necessary Consents (statutory or otherwise) subject to the Investors providing the Company and the Promoter Group with such documents and information which may be required under Applicable Law to obtain such Consents, providing all necessary assistance and co-operation to the Company Sale Merchant Banker, provide all necessary information and access to the records and materials of the Company to the Company Sale Merchant Banker and/or the Company Sale Purchaser, allow a due diligence exercise to be conducted by the Company Sale Purchaser to enable evaluation of the Company Sale.

- (vii) The Investors shall provide the Company and the Promoter Group with such documents and information which may be required under Applicable Law (including in connection with the filing of the relevant Forms FC-TRS and the filings under the Act) in relation to the Transfer of their respective Shares under this Article 110.5.

110.6 Notwithstanding anything to the contrary contained in Article 110.5 but subject to Article 113.5, in the event the restriction on the Investors selling any Shares to a Competitor ceases to apply to the Investors pursuant to Article 110.3.1(xii), each of the Investors shall, in addition and without prejudice to their rights under Article 110, have the right at all times thereafter, exercisable at their respective sole discretion, to identify a Company Sale Purchaser to purchase not less than 51% (fifty-one percent) of the Issued Share Capital of the Company on a Fully Diluted Basis on the Company Sale Terms without any restriction or condition or permission of the Promoter Group under the Agreement and these Special Articles other than as stated in Article 110.5.1(iv)(d)(A). Subject to the Investors selling all of their respective Shares to the Company Sale Purchaser in such a Company Sale, the Investors and the Promoter Group shall be bound to sell (and shall procure that the other Promoter Associates shall sell) to the Company Sale Purchaser such number of their Shares as may be stipulated by the Investors and as may be necessary to effect the Company Sale, on the same terms and conditions as the Company Sale Terms except that the Promoter Group shall assume such representations, warranties, covenants and corresponding indemnities to the Company Sale Purchaser in connection with the Company Sale including in relation to the Company Business and the Shares sold by them as in each case are reasonable and customary in such transactions or similar to the representations, warranties and indemnities provided by the Company and the Promoter under the Agreement and these Special Articles.

110.7 The Parties shall not unduly withhold or intentionally impede opportunities that may be proposed by any Party for a possible sale of all or part of the Shares and/ or Assets of the Company, merger or other business combination of the Company in accordance with this Article 110. The Parties shall ensure that notwithstanding any other provision in the Agreement and these Special Articles, following issue of a Buy Back Notice, the Investors will not exercise their rights under the Agreement and these Special Articles in a manner that imposes any restrictions whatsoever (including restrictions pertaining to raising sufficient funds) on the Company or the Promoter Group (as the case may be) from purchasing Buy Back Shares pursuant to and in accordance with the foregoing provisions of this Article 110. Additionally, any action that may be required to be undertaken by each Investor to facilitate an exit by such Investor (including consents required to be obtained by such Investor exclusively) shall be duly undertaken by each Investor.

111. LIQUIDATION PREFERENCE

111.1 Upon occurrence of a Winding Up of the Company, in the event the winding up proceeds (after clearance of mandatory dues under Applicable Law (if any)) available for distribution to the Shareholders is:

- (a) less than or equal to the aggregate of the New Investor Investment Amount, the Existing Investors Investment Amount and the Promoter Subscription Price (“**First Threshold Amount**”), then such winding up proceeds shall be distributed amongst the New Investor, the Existing Investors and the Promoter *pari passu* in proportion to the New Investor Investment Amount, the Existing Investors Investment Amount and the Promoter Subscription Price respectively, such that the New Investor does not receive any proceeds in excess of the New Investor Investment Amount, the Existing Investors do not receive any proceeds in excess of the Existing Investors Investment Amount and the Promoter does not receive any proceeds in excess of the Promoter Subscription Price;
- (b) greater than the First Threshold Amount but less than or equal to the aggregate of the First

Threshold Amount and the Aptuit Investment Amount (the “**Second Threshold Amount**”), then such winding up proceeds shall be distributed:

- (i) firstly, amongst the New Investor, the Existing Investors and the Promoter such that the New Investor receives the New Investor Investment Amount, the Existing Investors receive the Existing Investors Investment Amount and the Promoter receives the Promoter Subscription Price; and
 - (ii) any excess after making the payments referred to in Article 111.1(b)(i), to Aptuit Asia towards the Aptuit Investment Amount,
- (c) greater than the Second Threshold Amount but less than or equal to the aggregate of the Second Threshold Amount and the Promoter Purchase Price (the “**Third Threshold Amount**”), then such winding up proceeds shall be distributed:
 - (i) firstly, amongst the New Investor, the Existing Investors and the Promoter such that the New Investor receives the New Investor Investment Amount, the Existing Investors receive the Existing Investors Investment Amount, the Promoter receives the Promoter Subscription Price and Aptuit Asia receives the Aptuit Investment Amount; and
 - (ii) any excess after making the payments referred to in Article 111.1(c)(i), amongst the Promoter towards the Promoter Purchase Price;
- (d) greater than the Third Threshold Amount but less than or equal to the aggregate of the Third Threshold Amount and the Aggregate Promoter Associates’ Investment (the “**Fourth Threshold Amount**”), then such winding up proceeds shall be distributed:
 - (i) firstly, amongst the New Investor, the Existing Investors, the Promoter and Aptuit Asia such that the New Investor receives the New Investor Investment Amount, the Existing Investors receive the Existing Investors Investment Amount, the Promoter receives the sum of the Promoter Subscription Price and Promoter Purchase Price and Aptuit Asia receives the Aptuit Investment Amount; and
 - (ii) any excess after making the payments referred to in Article 111.1(d)(i), amongst the Promoter Associates towards the Aggregate Promoter Associates’ Investment;
- (e) greater than the Fourth Threshold Amount, then such incremental winding up proceeds in excess of the Fourth Threshold Amount shall be distributed amongst all the Shareholders *pari passu* in accordance with their shareholding in the Company at such time on a Fully Diluted Basis and all amounts up to the Fourth Threshold Amount shall be distributed in accordance with Article 111.1(d) above.

111.2 Notwithstanding Articles 111.1(a) to (e) above, if upon occurrence of a Winding Up of the Company, the amount of the winding up proceeds, which if distributed on the basis of shareholding on an As Converted Basis and Fully Diluted Basis, is such so as to provide each of the New Investor and the Existing Investors an amount as provided under the Agreement, the winding up proceeds shall be distributed to all Shareholders in proportion to their shareholding on an As Converted Basis and Fully Diluted Basis (and not according to Articles 111.1(a) to (e) above).

111.3 It is hereby expressly clarified that the expression Promoter Associates in this Article 111 shall also include the members of the Promoter Group.

111A. CONDUCT OF BUSINESS

111A.1. Business of the Company

- (i) The business of the Company shall be restricted to the Company Business and the Company shall not carry on any other business other than as decided by the Board.

- (ii) After the Closing Date, the Company and the Promoter shall take all actions required to adhere to Applicable Laws (in relation to the Company and the Company Business) and Consents (including environmental consents) obtained by the Company. The Investors shall use commercially reasonable efforts to provide necessary assistance (including providing such documents and information as may be necessary to consummate the transactions contemplated in the Agreement and the other Transaction Documents pursuant to Applicable Law) in this respect.
- (iii) The Company shall undertake the Company Business and operations in a manner which to the best of the knowledge of the Company does not infringe any third party Intellectual Property Rights.
- (iv) Unless otherwise agreed between the New Investor, Existing Investors, Aptuit Asia and the Promoter, all future Intellectual Property Rights required for the Company Business shall be owned and registered (where registrable) or licensed in the name of the Company.
- (v) All future Intellectual Property Rights required for the Company Business shall be owned and registered (where registrable) or licensed in the name of the Company, except to the extent that any such Intellectual Property Rights have been assigned by the Company in favour of its customers pursuant to the contracts entered with such customers.

111A.2.Borrowings by the Company

The financing requirements including working capital requirements of the Company shall be met in the first instance by internal accruals and any external financing shall be availed of only in accordance with the Annual Budget, unless otherwise agreed by the Board.

111A.3.Compliance

The Company shall and the Promoter shall ensure that the Company shall place before every Board meeting on a semi-annual basis, a compliance certificate duly executed by the relevant functional heads/ managing director/ chief executive officer of the Company.

111A.3.Employment of the Promoter and the Management Team

The appointment and removal of each member of the Management Team or any modification in the terms of employment (including without limitation with respect to salary and bonus) of any member of the Management Team shall be determined by the Board in consultation with the New Investor and the Existing Investors.

111A.4.Insurance

The Company shall obtain and maintain key man and director's and officers' liability consistent with regulatory requirements and market practice and with a carrier and coverage limit reasonably acceptable to the Investors. In addition, the Company shall maintain suitable insurance in respect of its material assets and to protect against material liabilities for such amount and in such manner as may be determined by the Board or required under any contract executed by the Company or under Applicable Law.

111A.5. Exercise of Voting Rights

Each Shareholder shall exercise the voting rights conferred on him/ it by virtue of all the Shares directly or indirectly held by him/ it to ensure that all relevant provisions of the Agreement are incorporated in the Memorandum and Articles at all times and his/ its obligations under the Agreement are duly and validly performed.

111A.5. Annual Budget

- (i) The Company Business shall substantially be conducted in accordance with the Annual Budget which will be updated or amended prior to the beginning of each Financial Year.

- (ii) A detailed Annual Budget for the Company shall be presented to the Board for approval within such number of days prior to the commencement of every new Financial Year as set out in the Agreement.

111A.6. **Related Party Transactions**

The Company shall (and the Promoters shall procure that Company shall) enter into all transactions with any Related Party on arms length terms (including transactions with any Related Party that are in the process of being finalized, as of the Effective Date). The Company shall maintain and update all statutory registers required to be maintained by it under Applicable Law for disclosing Related Party transactions. If any Related Party (as a counter party) breaches or is likely to breach any agreement or contract relating to a Related Party transaction of the Company or its Subsidiaries, then any exercise of the Company's or its Subsidiaries rights under such agreement or contract (including any decisions to enforce the agreement or contract) shall be taken by the Board, where the Promoter Directors shall not be entitled to participate, discuss or vote.

111A.8. **Voting Obligations of the Promoter**

The Promoter shall use and exercise, and shall refrain from using or exercising, his voting rights (whether as, a Shareholder, member, or Director of the Company), to observe the terms of, and to fulfill his obligations as well as those of the Company under the Transaction Documents and the Existing Investment Documents, and generally to do all things within his power which are necessary or desirable to give effect to the Agreement and the other Transaction Documents and the Existing Investment Documents (to the extent of survival in accordance with Clause 23.2 of the Agreement) and to fulfil his obligations hereunder and thereunder.

111A.9. **Anti-Corruption Compliance**

- (i) The Company shall adopt and implement an anti-corruption policy ("**Anti-Corruption Policy**"), in form and substance acceptable to the New Investor and the Company.
- (ii) The Company shall adopt and implement policies, in form and substance acceptable to the New Investor and the Company and in the manner as contemplated in the Agreement, to ensure compliance with applicable sanctions requirements, including regulations and executive orders enforced by the such regulatory authorities as agreed between the Company and the New Investor.

112. **MANAGEMENT OF THE COMPANY**

112.1 **Appointment of Directors**

The Directors of the Company will be nominated and appointed by the Shareholders in the manner set out in these Special Articles, the Agreement and the Act. Subject to Article 112.2 below, the Board may also appoint additional Directors from time to time, who will hold office until the next annual general meeting of the Company. The Company Business shall be managed and conducted by the Board.

112.2 **Number of Directors**

- (i) The Board shall not exceed 14 (fourteen) Directors to be nominated and appointed in accordance with the provisions of the Agreement and these Special Articles. The size of the Board shall not be amended except with the prior written consent of each of the Existing Investors and the New Investor.
- (ii) On and from the Closing Date, the Promoter Group shall have the right to nominate up to 7 (seven) Directors on the Board (the "**Promoter Directors**").
- (iii) The New Investor, the Existing Investors and Aptuit Asia shall have the right to nominate, collectively, up to 6 (six) Directors on the Board ("**Investor Directors**"), out of which, the New

Investor shall be entitled to nominate up to 3 (three) Investor Directors (“**New Investor Directors**”), the Existing Investors shall be entitled to nominate up to 2 (two) Investor Directors (“**Existing Investors Directors**”) and Aptuit Asia shall be entitled to nominate 1 (one) Investor Director (“**Aptuit Director**”).

- (iv) Other than the Promoter Directors, the New Investor Directors and the Existing Investor Director, the Board shall nominate Independent Directors as per the requirement of the provisions of Companies Act 2013 and other Regulatory Authorities.
- (v) Each Investor Director shall be appointed as a non-executive Director on the Board and at least 1 (one) Investor Director nominated by the Existing Investors and the New Investors, respectively, shall have the right to be appointed on all committees and sub-committees of the Board.
- (vi) The Promoter Group shall ensure that they shall neither veto nor otherwise obstruct the appointment of the Investor Directors in accordance with Article 112.2(iii) and likewise the Investors covenant that they shall neither veto nor otherwise obstruct the appointment of the Promoter Directors in accordance with Article 112.2(ii). The Investors shall ensure that as long as their nominee is a Director on the Board, such individuals shall not be directors on the board of directors of any Competitor, provided that if any such Director is already on the board of directors of any company which is subsequently included (by the Company in exercise of its rights under the Agreement and these Special Articles) in the list of companies falling within the definition of ‘Competitor’ under the Agreement or these Special Article, then the relevant Investor, as the case may be, shall consult with the Promoter to devise a strategy on a good faith and best efforts basis such that the interests of the Company are not prejudiced in any manner.
- (vii) The removal and re-appointment of any Promoter Director or Investor Director shall be subject to the prior written consent of the shareholder that nominated such Director in accordance with this Article 112.2.
- (viii) An Investor Director may be removed by the applicable Investor that nominated such Investor Director by giving written notice in writing to the Company. Such Investor shall be entitled to nominate another Director in his or her place for appointment by giving notice in writing to the Company. Any such removal shall take effect upon receipt of such notice by the Company and any appointment shall take effect from the date the nominee is appointed by a resolution of the Board.

112.3 **Qualification shares and rotation**

The Investor Directors shall not be required to hold any qualification shares and the Investor Directors and the Promoter Directors shall not be liable to retire by rotation.

112.4 **Quorum**

- (a) Unless waived by all of the Directors (other than a Board meeting where Reserved Matters are to be considered, discussed and/ or resolved), the quorum at the time of commencement and during the meeting and passing of any resolution at a meeting of the Board, shall require the presence of at least 3 (three) Directors or 1/3 (one third) of the total strength of the Board, whichever is higher, provided that quorum shall be deemed to be not constituted unless at least 1 (one) Promoter Director, at least 1 (one) New Investor Director, at least 1 (one) Existing Investors Director and the Aptuit Director (together the “**Relevant Directors**”) are present in person, through video conference or represented by an alternate Director at and throughout each meeting of the Board. If any Relevant Director (or his/ her alternate Director) is not present at a meeting of the Board within the time set out in Article 112.4(b) below, there shall be no quorum to conduct the meeting of the Board, even if all other provisions of the Act and/ or these Special Articles are fulfilled. It is hereby clarified that in the event that the Aptuit Director attends a meeting through an audio conference then such presence shall be deemed to be a waiver of the right of the Aptuit Director to be present at the meeting and no separate waiver will be required.

(b) If at a meeting of the Board (“**Original Meeting**”) a valid quorum is not present, as a result of the absence of any Relevant Director, despite being properly notified, within half an hour of the time appointed for the meeting or ceases to be present, the meeting shall stand automatically adjourned by 1 (one) week at the same time and the same location (“**First Adjourned Meeting**”), unless all Directors of the Company otherwise agree in writing. In the event that at least 1 (one) of the New Investor Directors or at least 1 (one) of the Existing Investors Directors is absent at such First Adjourned Meeting and also does not waive his/ her presence in writing for the purpose of constituting quorum, even after being properly notified, it shall be deemed that the New Investor Directors and the Existing Investors Directors have waived their presence for the same and the Directors present at such First Adjourned Meeting shall constitute a quorum provided that:

- (i) at least 1 (one) Promoter Director is present;
- (ii) written notice of the adjournment shall be given to each Director (and his/her alternate Director) at their usual address for service of notices of Board meetings not less than 3 (three) calendar days prior to the date of the First Adjourned Meeting;
- (iii) no items are considered at the First Adjourned Meeting of the Board which were not on the agenda for the Original Meeting;
- (iv) no Reserved Matter (including any Reserved Matter that is also an Aptuit Reserved Matter) shall be considered, discussed and/ or resolved upon at such meeting (unless such matter has been approved in accordance with Article 112.12);
- (v) the requisite quorum as per the Act is present.

(c) In the event that the Aptuit Director is absent at such First Adjourned Meeting and also does not waive his/ her presence in writing for the purpose of constituting quorum, even after being properly notified, it shall be deemed that the Aptuit Director has waived his/her presence for the same and the Directors present at such First Adjourned Meeting shall constitute a quorum provided that:

- (i) at least 1 (one) Promoter Director is present;
- (ii) written notice of the adjournment shall be given to each Director (and his/her alternate Director) at their usual address for service of notices of Board meetings not less than 3 (three) calendar days prior to the date of the First Adjourned Meeting;
- (iii) no items are considered at the First Adjourned Meeting of the Board which were not on the agenda for the Original Meeting;
- (iv) no Aptuit Reserved Matter (including any Aptuit Reserved Matter that is also a Reserved Matter) shall be considered, discussed and/ or resolved upon at such meeting (unless such matter has been approved in accordance with Article 112.12);
- (v) the requisite quorum as per the Act is present.

112.5 **Alternate Director**

(a) In the event of any Director (“**Original Director**”) being likely to be absent for a period of at least 3 (three) months from the State in which meetings of the Board are usually held, the Board may at a meeting or by a circular resolution appoint an alternate Director for such Original Director. The Original Director in whose place such alternate Director is to be appointed or the Party who nominates such Original Director shall designate the Person to be appointed as an alternate Director to the Board.

(b) In the event of a casual vacancy arising on account of the resignation of a Director or the office of

the Director becoming vacant for any reason, the Shareholder who has nominated such Director shall be entitled to designate a Director to fill the vacancy in accordance with these Special Articles and the Act.

112.6 Chairman

One of the Directors appointed by the Promoter Group shall be the Chairman for each meeting and the Chairman shall be entitled to chair all meetings of the Board or any committee thereof or the meeting of the Shareholders. The Chairman shall not have a casting vote. Provided that nothing in this Article 112.6 shall apply in the event the Company is undertaking a Qualified IPO

112.7 Meeting of the Board

- (a) As per the provisions of the Act, the Board shall hold regular meetings at the registered office of the Company (or such other place as may be mutually agreed by the Board, including at least 1 (one) New Investor Director, 1 (one) Existing Investors Director, 1 (one) Promoter Director and the Aptuit Director) during regular business hours on Business Days.
- (b) The travel, communications, boarding and hotel expenses and other reasonable costs incurred by the Investor Directors for attending Board meetings of the Company shall be reimbursed by the Company.

112.8 Notice of Meeting

- (a) At least 7 (seven) Business Days clear written notice shall be given for any meeting of the Board, whether in India or outside India. In the case of a Director residing outside India, notice of such meeting shall be sent to him either by registered air mail or by electronic mail or by facsimile transmission followed by a confirmation copy by post at his usual address outside India and also at his address, if any, in India, unless otherwise agreed by the Parties. In case of an alternate Director, notice shall be sent to the alternate Director as well as the Original Director. A meeting of the Board may be called by shorter notice with the consent of a majority of the Directors of the Company, which majority shall include at least 1 (one) New Investor Director, 1 (one) Existing Investors Director, the Aptuit Director and 1 (one) Promoter Director.
- (b) Every such notice convening a Board meeting shall contain an agenda for the Board meeting identifying in sufficient detail, each business to be transacted at the Board meeting together with all relevant supporting documents in relation thereto. No matter which has not been detailed in the agenda, shall be transacted at any meeting of the Board, provided however that with the consent of a majority of the Directors of the Company (which majority shall include at least 1 (one) New Investor Director, 1 (one) Existing Investors Director, the Aptuit Director and 1 (one) Promoter Director), a matter not included in the agenda may be transacted at the meeting.

112.9 Circular Resolution

- (a) A written resolution signed by a majority of the Directors entitled to vote thereon shall be as valid and effectual as a resolution duly passed at a meeting of the Board and may consist of several documents in the like form each signed by one or more Directors.
- (b) Subject to Article 112.12(d), no circular resolution of the Board shall be valid unless the same has been circulated to the Directors whether in India or abroad for a minimum period of 5 (five) Business Days. If any Director fails or refuses to sign such circular resolution within 7 (seven) calendar days from such Director's receipt of the circular resolution, he shall be deemed to have approved of the resolution circulated to the Directors for approval.

112.10 Day to Day Management

Subject to the provisions of Article 112.11 below,

- (a) The day to day management of the Company shall be conducted by the Key Personnel and the Management Team of the Company. The chief executive officer of the Company shall report to the Board on a quarterly basis, based on the MIS process agreed between the Promoter, the New Investor and the Existing Investors, provided that to the extent such MIS process requires information to be provided on a monthly basis, the Company shall provide such information to the Investors on a monthly basis.
- (b) The audit and compensation committees established by the Board shall have 5 (five) members comprising of 2 (two) Promoter Directors, 1 (one) New Investor Director, 1 (one) Existing Investors Director and 1 (one) independent Director. The composition of all other committees as may be established by the Company and the Board from time to time shall be such as may be agreed by the Board provided that at least 1 (one) New Investor Director, 1 (one) Existing Investors Director and 1 (one) Promoter Director shall at all times be members having voting rights in such committees. At least 1 (one) nominee each of the New Investor and the Existing Investors and the Promoter Group shall be required to be present to form a quorum of any meeting of such committees and the provisions of quorum for Board meetings shall apply, *mutatis mutandis*, for meetings of all committees of the Board. The Promoter Group, the New Investor and the Existing Investors shall ensure that they shall neither veto nor otherwise obstruct the appointment of a nominee of the New Investor/Existing Investors/Promoter Group (as the case may be) in accordance with this Article 112.10(b). No Reserved Matter can be resolved upon by a committee or delegated to any member of the Management Team except in accordance with the provisions of Article 112.12 below.

112.11 Decision making by the Board

Subject to Article 112.12 below, resolutions of the Board shall be passed by a simple majority of votes of the Directors present and entitled to vote thereon.

112.12 Reserved Matters

- (a) Notwithstanding the foregoing, the Company shall and the Promoter shall procure that no action shall be taken by or on behalf of the Company, whether at a committee meeting, Board meeting, Shareholders' meeting or otherwise or resolution be passed by the Board or Shareholders in respect of the following matters ("**Joint Reserved Matters**") without being approved in the manner set out in this Article 112.12:
 - (i) Altering or amending the Memorandum and/ or these Special Articles (other than for the purpose as set forth in Article 112.12(e)(i));
 - (ii) Purchase or lease/ license of any Real Property other than as provided in the Annual Budget which is not in the ordinary course of business;
 - (iii) Creating Encumbrance of any kind on any of its Assets other than in the ordinary course of business;
 - (iv) Guaranteeing the debt or obligation of, or provision of indemnities on behalf of, any of the Parties, members of the Management Team, Directors, any Affiliates of such Persons or any other Person or provision of any guarantee and extension of any loan to any Person other than in the ordinary course of business or in excess of the limits agreed in the Annual Budget;
 - (v) Extension of advances to any Person other than in the ordinary course of business;
 - (vi) Appointing, removing or changing the Auditors, change in accounting reference date, change in financial/ accounting year of the Company and changes in the accounting and/ or tax policy;
 - (vii) Changing the registered office of the Company or the name of the Company or any decision which has an effect on the brand equity of the Company; and

- (viii) Incurring capital expenditure and Indebtedness (including for working capital) exceeding the levels agreed in the Annual Budget by 15% (fifteen percent) or Rs. 500,000,000 (Rupees Five Hundred Million only), whichever is lower.
- (b) It is hereby clarified that any matter/action that has been set out and approved in the Annual Budget as per Article 112.12(e)(xii), shall be automatically deemed to be approved as a Reserved Matter and shall not require any further approval under this Article 112.12.
- (c) The Joint Reserved Matters shall not be passed and no action may be taken in that regard except with the affirmative consent of the New Investor and the Existing Investors, acting jointly. If a Joint Reserved Matter is approved by the New Investor but such Joint Reserved Matter is not approved by the Existing Investors or vice versa, then such Joint Reserved Matter shall stand approved (provided it is also passed/approved by the Board in accordance with Article 112.11 and/or the shareholders in accordance with Article 112.13(b) (as may be applicable) on it being placed at such meeting of the Company, in accordance with the Agreement and these Special Articles).
- (d) Notwithstanding anything contained in the Agreement and these Special Articles, a consent or approval under this Article 112.12 shall be deemed to have been given by the New Investor or the Existing Investors or Aptuit Asia only if a written consent on the matter in question has been provided by the New Investor or the Existing Investors or Aptuit Asia (as the case may be). The Investors shall ensure that each of their respective authorized representatives vote at a general meeting of the Company consistent with the written consent (if any) provided by the relevant Investor in accordance with this Article 112.12(d).
- (e) Notwithstanding the above, the Company shall and the Promoter shall procure that no action shall be taken by or on behalf of the Company, whether at a committee meeting, Board meeting, Shareholders' meeting or otherwise or resolution be passed by the Board or Shareholders in respect of the following matters without the same being approved by each of the New Investor and the Existing Investors ("**Individual Reserved Matters**"):
 - (i) Altering or amending the Memorandum and/ or these Special Articles which affects the rights of the Existing Investors or the New Investor;
 - (ii) Undertaking any new business initiative that the Company wishes to undertake which does not fall in the scope of the Company Business and Annual Budget;
 - (iii) Undertaking any act or omission which amends the corporate governance policy of the Company, change in the composition of the Board and/or any committee of the Board, appointment of any committee, sub-committee, the assignment of any power of the Board to any committee/ sub-committee or any Person or delegation of authority to any individual Director or committee of the Board with regard to the matters not in the ordinary course of the business;
 - (iv) Registering and/or approving: (A) any Transfer of Shares of the Company other than in accordance with the terms of the Agreement and these Special Articles; (B) any Transfer of Share pursuant to a Company Sale (other than a Company Sale where the condition stated in Article 110.5.1(i)(b) or Article 110.5.1(i)(c), as the case may be, is fulfilled); and (C) creation of or taking on record any Encumbrance (other than a Permitted Pledge) on the Shares of the Company;
 - (v) Any business restructuring, merger, demerger, consolidation and diversification, new investments, divestments, sale, transfer or amalgamation, of the Company and its Assets or any sale of Assets of the Company, any of which are in variance with the Business Plan and Annual Budget or similar transactions whether with or into any other business entity or otherwise;
 - (vi) Any action which, authorizes, creates, issues or allots Shares of any class or stock including rights issue of any class or series of Shares and the valuation in respect of all fresh issues, creates any new class of Shares, buy backs (other than a buy back

pursuant to Article 110.3) or redemption of any securities of the Company, splits, issuance of convertible/ debt instruments, debentures, share warrants, options, warrants, bonuses, debt restructuring involving conversion into Equity Shares, or other rights to require issuance of any Shares in the future, whether as a public offering or private sale or issue and allotment of Shares or otherwise (excluding the issue of Shares pursuant to the ESOP);

- (vii) Any action which authorizes, creates or issues Shares or reclassifies any outstanding Shares into Shares having preference or priority as to dividends or assets senior to or on a parity with, in the case of the New Investor, the New Investor Preference Shares (including without limitation on terms more favourable (including as regards pricing and/or rights of the Shares) than those available to the New Investor) and in the case of the Existing Investors, the Existing Investors Preference Shares (including without limitation on terms more favourable (including as regards pricing and/or rights of the Shares) than those available to the Existing Investors;
- (viii) Any increase, reduction, modification or cancellation (other than pursuant to a buy back in accordance with Article 110.3) of the authorized or Issued Share Capital of the Company;
- (ix) Acquisitions exceeding Rs. 100,000,000 (Rupees One Hundred Million only) and entry into any new lines of business, unrelated to the Company Business;
- (x) Any Encumbrance exceeding 250,000,000 (Rupees Two Hundred Fifty Million only) or transfer of all or substantially all of the fixed Assets and Intellectual Property Rights of the Company, whether in parts or in whole, exceeding Rs. 90,000,000 (Rupees Ninety Million only);
- (xi) Altering or amending the rights, preferences and/ or privileges of the holders of the Preference Shares (including without limitation the Terms and Conditions of the Preference Shares);
- (xii) Subject to Article 112.12(a)(viii), approving the Annual Budget and any amendment or change thereto;
- (xiii) Voluntary winding up (including voluntary acts towards causing liquidation, dissolution or other act of insolvency), including applying for the appointment of a receiver, liquidator or like officer, or making of a reference under the Sick Industrial Companies (Special Provisions) Act, 1985;
- (xiv) Entry into any transactions with any Related Party exceeding, individually or in aggregate, Rs. 100,000,000 (Rupees One Hundred Million only) in any Financial Year or entering into any agreement or transaction not in the ordinary course of business and exceeding individually or in aggregate Rs. 100,000,000 (Rupees One Hundred Million only);
- (xv) All decisions with respect to listing of the Shares of the Company (including a Qualified IPO and Investor's Qualified IPO) other than an Approved Qualified IPO, and including (A) appointment of Investor's QIPO Merchant Banker, (B) appointment of QIPO Merchant Banker, (C) approval of the size and terms of any public offering of the Company's securities and any later round of financing;
- (xvi) The determination of dividend policy and any alteration thereof, the declaration of any dividends or any other distributions to any members/ Shareholders of the Company or approval of dividend payments;
- (xvii) Other than the ESOP, granting incentives to employees in the form of stock options in the Company and any amendments to the ESOP; and

- (xviii) Any material alteration or amendment to the employment Contracts entered into by the Company with any of the Key Personnel.

Notwithstanding anything contained in the Agreement and these Special Articles, the Existing Investors shall not have any veto rights/ consent rights on Reserved Matters to the extent such matters pertain to the issue of the New Investor's Preference Shares and the issue of Equity Shares to the New Investor upon conversion of any New Investor's Preference Shares and exercise of the exit rights of the New Investor under Article 110.2, provided the condition stated in Article 110.2.1(v)(b)(ii) is fulfilled. Notwithstanding anything contained in the Agreement and these Special Articles, the New Investor shall not have any veto rights/ consent rights on Reserved Matters to the extent such matters pertain to the issue of Equity Shares to the Existing Investors upon conversion of any Existing Investors' Preference Shares and exercise of the exit rights of the Existing Investors under Article 110.2, provided the condition stated in Article 110.2.1(v)(b)(i) is fulfilled.

- (f) Without prejudice to Article 112.12(a) and (e) above, the Company and the Promoter shall procure that no action shall be taken by the Company or resolution be passed by the Board in respect of the following matters (the "**Aptuit Reserved Matter**") without the same being approved by Aptuit Asia:
- (i) Altering or amending the Memorandum and/ or these Special Articles which adversely affects the rights of Aptuit Asia;
 - (ii) Altering or amending the rights, preferences and/ or privileges of the holders of the Series A Preference Shares (including without limitation the Terms and Conditions of the Series A Preference Shares);
 - (iii) Any action which: (a) authorizes, creates or issues Shares of any class or stock; or (b) reclassifies any outstanding Shares, only in the event that the Shares so created or issued or reclassified have preferences or priority as to voting, dividends or assets senior to the Aptuit Preference Shares;
 - (iv) Any merger, de-merger, restructuring, consolidation, voluntary winding up or dissolution of the Company;
 - (v) Buy back (other than a buy back pursuant to Article 110.3) or redemption of Shares by the Company;
 - (vi) Approval of any non pro-rata dividend payments;
 - (vii) Any changes in the composition of the Board that would result in Aptuit Asia not having representation on the Board; and
 - (viii) Entry into any transactions with any Related Party exceeding, individually or in aggregate, Rs. 100,000,000 (Rupees One Hundred Million only) in any Financial Year.
- (g) In the event any Subsidiary of the Company, proposes to make any decision in relation to the subject matter of a Reserved Matter (as such items would apply in relation to such Subsidiary), the said item shall first require the prior written consent of the Existing Investors and/or the New Investor (as may be applicable) in accordance with the provisions of this Article 112.12. The Company, as a shareholder of such Subsidiary, shall cause the outcome of such Reserved Matter to be determined only in such manner as approved by the Existing Investors and/or the New Investor (as the case may be) in accordance with Article 112.12.

112.13 Shareholder meetings

- (a) At least 21 (twenty-one) calendar days clear written notice shall be given for any meeting of the Shareholders of the Company. In the case of a Shareholder residing outside India, notice of such meeting shall be sent to it/ him either by registered air mail or by electronic mail or by facsimile transmission followed by a confirmation copy by post/courier at its/ his usual

address outside India and also at its/ his address, if any, in India, unless otherwise agreed by the Parties. A meeting of the Shareholders may be called by shorter notice as provided under the Act. Every such notice convening a meeting of the Shareholders shall contain an agenda for the meeting identifying in sufficient detail, each business to be transacted at the general meeting together with all relevant documents in relation thereto. No matter which has not been detailed in the agenda shall be transacted at any meeting of the Shareholders, provided however, that subject to the provisions of the Agreement and these Special Articles, with the unanimous consent of all the Shareholders of the Company, a matter not included in the agenda may be transacted at the meeting.

- (b) Voting on all matters to be considered at a general meeting of the Shareholders shall be by way of a poll unless otherwise agreed upon in writing between the Parties.
- (c) The quorum for a meeting of the Shareholders shall be 5 (five) Shareholders, provided that the quorum shall always include the Promoter and an authorized representative of each of the New Investor, the Existing Investors and Aptuit Asia (the “**Relevant Representatives**”). In the event that any Relevant Representative is not present, despite being properly notified, then the quorum shall not be deemed to have been constituted (even if all other provisions of the Act are fulfilled) provided however that if as a result a quorum is not present within half an hour of the time appointed for the meeting or ceases to be present, the meeting shall stand automatically adjourned by 1 (one) week at the same time and the same location, unless all Shareholders of the Company agree otherwise (in writing). In the event that such Relevant Representative is again absent at such adjourned meeting and also does not waive his/ her presence in writing for the purpose of constituting quorum, even after being properly notified, it shall be deemed that the New Investor, the Existing Investors or Aptuit Asia (as the case may be) has waived their/ its presence for the same and, the Shareholders present at such adjourned meeting shall constitute quorum provided that:
 - (i) the Promoter or his nominee is always present at such meeting;
 - (ii) written notice of the adjournment shall be given to each Shareholder at its/ his/ her usual address for service of notices of Shareholders’ meetings not less than 7 (seven) calendar days prior to the date of the adjourned meeting;
 - (iii) no items are considered at the adjourned meeting which were not on the agenda for the original meeting which was adjourned;
 - (iv) No Reserved Matters and Aptuit Reserved Matter shall be considered, discussed and/ or resolved upon at such meeting unless approved in accordance with Article 112.12; and
 - (v) the requisite quorum as per the Act is present.
- (d) Except as otherwise provided in the Agreement and these Special Articles, no resolution shall be passed or decision be taken at any meeting of the Shareholders of the Company in respect of any of the Reserved Matters or Aptuit Reserved Matter specified in Article 112.12 unless the procedure prescribed in Article 112.12 is followed or unless the Investors have agreed in writing to waive such right.
- (e) The Existing Investors shall ensure that their respective authorized representatives shall vote in the same manner on matters placed before a general meeting of the Shareholders.

112.13A. **Material Subsidiaries**

The Company shall ensure that the rights of the New Investor and the Existing Investors in relation to the Material Subsidiaries of the Company, as enumerated in the Agreement, are given effect to at all times.

112.14 **Financial Accounting, Audit And Information Rights**

- 112.14.1. An annual audit of the books of accounts, records and affairs of the Company shall be made each year immediately following the close of the Financial Year by the Auditor of the Company within a period of 90 (ninety) calendar days after the end of each Financial Year. The Company shall maintain a system of accounting adequate to identify its material assets, liabilities and transactions and to permit the preparation of Financial Statements in accordance with Indian GAAP or the generally accepted accounting principles of the country where the entity is incorporated. The accounts of the Company shall be audited in accordance with Indian GAAP or the generally accepted accounting principles of the country where the entity is incorporated.
- 112.14.2. The Company and the Promoter covenant that, after the Closing Date, the Company shall deliver to the Investors (i) the following information in respect of the Company and the Material Subsidiaries of the Company, and (ii) the information specified in Articles (b), (f) and (j) below in respect of other Subsidiaries of the Company, and the remaining information below in respect of the other Subsidiaries on a best efforts basis:
- (a) Unaudited quarterly financial statements certified by the chief financial officer of the Company within 45 (forty five) calendar days after the end of each quarter;
 - (b) Audited annual Financial Statements within 90 (ninety) calendar days after the end of each Financial Year;
 - (c) Annual Budget for the next Financial Year, duly approved by the Board, within 10 (ten) calendar days prior to the end of each Financial Year;
 - (d) Certified true copies of the minutes of the meetings of Shareholders within 10 (ten) calendar days from the date of such meeting;
 - (e) A written notification setting out sufficient details of any material litigation which may be made or threatened by or against the Company or the Promoter or any circumstances which may give rise to the same. Such notification shall be provided forthwith to the Investors but in no event later than 7 (seven) Business Days from the date on which either the Company or the Promoter becomes aware of the same, provided that it shall not be necessary to provide such notification if sufficient details of such material litigation have already been communicated to the Investors as part of the agenda of a Board meeting;
 - (f) Without prejudice to the provisions of Article 112.12, a written notification of any event likely to have a material impact on the Company Business. Such notification shall be provided forthwith to the Investors but in no event later than 7 (seven) Business Days from the date on which either the Company or the Promoter becomes aware of the same;
 - (g) A written notification of any withdrawal of any lending facility by a lender of the Company. Such notification shall be provided forthwith to the Investors but in no event later than 7 (seven) Business Days from the date on which the Company becomes aware of the same and the Company shall undertake to use best efforts to restore adequate banking facilities, provided that it shall not be necessary to provide such notification if information on the withdrawal of such lending facility has already been communicated to the Investors as part of the agenda of a Board meeting;
 - (h) Intimation of any receipt of any notice of breach of, or default under, or termination of, any Material Contract from a counterparty to such Material Contract, within a period of 3 (three) Business Days from receipt of such notice by the Company;
 - (i) A written notification of any change in the Management Team of the Company. Such notification shall be provided forthwith to the Investors but in no event later than 15 (fifteen) Business Days from the date on which either the Company or the Promoter becomes aware of the same; and
 - (j) All other information as may be reasonably required by the Investors and such information shall be forthwith provided to the Investors but in no event later than 10 (ten) Business Days from the date of receipt by the Company of the request for such information from the New Investor.

- 112.14.3. The Investors and their respective designated officers, employees, accountants, attorneys, advisors and agents shall have the right, at any time and from time to time during normal business hours and upon written notice of at least 3 (three) Business Days, to inspect the books, records and other documents of the Company and Material Subsidiaries and to consult with the officers, members of the Management Team, Auditors and attorneys of the Company and the Material Subsidiaries for the purpose of affording to the Investors full opportunity to make such investigation as they shall desire and it is understood that the Investors may, at their cost, conduct an audit of the business of the Company and the Material Subsidiaries. Each Investor shall ensure that any information pertaining to the Company which it (or any of its designated officers, employees, accountants, attorneys, advisors and agents) receives access to as a result of any inspection or audit conducted under or pursuant to the foregoing provisions shall be deemed to be “Confidential Information” under Clause 15.1 of the Agreement and the provisions of Clause 15 of the Agreement shall apply accordingly. It is hereby clarified that any investigations and/ or audit under this Article 112.14.3 shall be conducted at the sole cost of the applicable Investor conducting the investigation and/ or audit.
- 112.14.4. The Company shall make available and permit, on a timely basis as required, the New Investor and the Existing Investors, their Affiliates and their designees to inspect and copy, on a timely basis as required, all information needed to complete IRS Form 5471 and other Internal Revenue Service (“IRS”) forms.
- 112.14.5. The Parties agree that upon completion of a Qualified IPO, the New Investor shall have a right to nominate 1 (one) director on the Board, until such time that the New Investor continues to hold 15% (fifteen percent) of the fully diluted share capital of the Company.

113. TRANSFER OF SHARES AND ISSUE OF SHARES

113.1 General compliance for Transfers

- (a) Subject to Applicable Laws, any Transfer of Shares by any Shareholder, which is not in accordance with the Agreement and/ or these Special Articles shall, unless expressly permitted by the Agreement and these Special Articles, be null and void *ab initio*.
- (b) Other than the Promoter Pledge and a Permitted Pledge, the Company shall not register any Transfer of Shares unless the procedure set out in this Article 113 has been complied with.
- (c) It shall be a condition of any sale or transfer of Shares by any of the Shareholders that the transferee enters into a Deed of Adherence. Provided that nothing in this Article 113.1(c) shall apply to a Qualified IPO

113.2 Lock- in period

- (a) The New Investor, the Existing Investors and Aptuit Asia shall not be entitled to, and shall not, Transfer any of its respective Shares or any interest in such Shares during the New Investor Lock-in Period, the Existing Investors Lock in Period and the Aptuit Lock-in Period respectively; provided that this Article shall not apply to a Permitted Transfer, any Transfer pursuant to a Qualified IPO or any other initial public offering of Shares or any Transfer pursuant to Article 115.
- (b) After the date of expiry of the New Investor Lock-in Period, the Existing Investors Lock-in Period and the Aptuit Lock-in Period respectively, the New Investor, the Existing Investors and Aptuit shall, unless expressly stated otherwise in Articles 110.4, 110.5, 110.6, 113.5A, 113.6 of these Special Articles and the Agreement, be entitled to Transfer all or any of their respective Shares or any interest in such Shares only to a Financial Investor on such terms and conditions as may be determined by such Investor, but in all cases subject to Article 113.5. Provided that nothing in Article 113.2(b) shall apply in the event the Company is undertaking a Qualified IPO.
- (c) The Company and the Promoter Group shall, extend all reasonable cooperation to the Existing Investors and/or the New Investor to facilitate any Transfer of the Shares held by any of such Investors in accordance with this Article 113.2, including without limitation:

- (i) preparing and sharing a business plan with the Investor(s) and any potential transferee of any Shares proposed to be transferred by any Investor(s), if so requested by the transferring Investor(s);
- (ii) obtaining all necessary Consents (statutory or otherwise), subject to the Investors providing the Company and the Promoter Group with such documents and information which may be required under Applicable Law to obtain such Consents;
- (iii) providing all necessary information and access to the records and materials of the Company to allow a due diligence exercise to be conducted by potential investors to enable evaluation of the Company;
- (iv) providing such representations, warranties, covenants and corresponding indemnities in connection with such Transfer of Shares by the Investor(s) in relation to the Company Business as are reasonable and customary in such transactions or similar to the representations, warranties and indemnities provided by the Company and/or the Promoter under the Agreement.

113.3 Non-disposal undertaking of the Promoter Group

- (a) Notwithstanding anything contained in the Agreement and these Special Articles, but subject to Article **Error! Reference source not found.**(d), the Promoter Group shall ensure that during the Promoter Group Lock-in Period they shall not, except with the prior written consent of each of the New Investor and the Existing Investors, Transfer to any Person any of their Shares, provided that, nothing in this Article 113 shall apply in respect of any proposed Transfer by a member of the Promoter Group of any of his/ her Shares (but the Promoter Group shall inform the Investors of such Transfer):

To his/ her Relatives; or

Pursuant to a Qualified IPO or any other initial public offering of Shares.

- (b) Notwithstanding anything to the contrary in the Agreement and these Special Articles, after the expiry of the Promoter Group Lock-in Period, any member of the Promoter Group shall be entitled to sell any Shares held by them or any interest in such Shares which has the effect of reducing the aggregate shareholding of the Promoter Group in the Company to not less than the Transfer Threshold without any restriction contained in this Article 113 (including the prior written consent of any of the Investors); provided however that the Promoter Group shall inform (in writing) the New Investor, the Existing Investors and Aptuit of such sale prior to the completion of such sale.
- (c) Any sale of Shares by (i) the Associates (other than Transfers by Associates contemplated in Article 113.7), (ii) the Promoter Group which has the effect of reducing the aggregate shareholding of the Promoter Group in the Company to less than the Transfer Threshold, and (iii) the Promoter Group after the aggregate shareholding of the Promoter Group in the Company is below the Transfer Threshold in accordance with the provisions of the Agreement shall be subject to the prior written consent of each of the New Investor and the Existing Investors and additionally in case of the Promoter Group, Article 113.4 and Article 113.6, other than as expressly specified in the Agreement and these Special Articles; provided that such consent of the New Investor and/or the Existing Investors shall be deemed to have been given in relation to a particular Transfer (and not generally for all Transfers) if (i) such New Investor and/or Existing Investors delivers a ROFO Notice pursuant to Article 113.4(b) containing an Investor Offer Price to purchase the Seller Transfer Shares in respect of a proposed sale of Shares by any member of the Promoter Group; or (ii) if such New Investor/Existing Investors fail to provide a ROFO Notice or a notice not consenting to the proposed Transfer within the period set forth in Article 113.4(b).
- (d) Notwithstanding anything contained in the Agreement and these Special Articles, during and after the Promoter Group Lock-in Period:

- (i) Dr. Srihari Raju Kalidindi and Mr. Ravi Kumar V. V. shall be entitled, with notification to the Investors, to Transfer any Shares held by them to another member of the Promoter Group and the restrictions contained in the Agreement and these Special Articles (including under Article 113) shall not apply to such Transfer; and

The Promoter and Mrs. Chava Naga Rani shall be entitled, with notification to the Investors, to Transfer any Shares held by them to another member of the Promoter Group and the restrictions contained in the Agreement and these Special Articles (including under Article 113) shall not apply to such Transfer, provided that such sale does not have the effect of reducing the aggregate shareholding of the Promoter and Mrs. Chava Naga Rani (taken together) in the Company on a Fully Diluted Basis to less than 22% (twenty two per cent) of the Issued Share Capital. It is clarified that any Transfer of Shares by the Promoter and Mrs. Chava Naga Rani to another member of the Promoter Group which has the effect of reducing the aggregate shareholding of the Promoter and Mrs. Chava Naga Rani (taken together) in the Company on a Fully Diluted Basis to less than 22% (twenty two per cent) of the Issued Share Capital and every Transfer of Shares by the Promoter and Mrs. Chava Naga Rani to another member of the Promoter Group after the aggregate shareholding of the Promoter and Mrs. Chava Naga Rani (taken together) on a Fully Diluted Basis in the Company is below 22% (twenty two per cent) of the Issued Share Capital shall be subject to the prior written consent of the New Investor and the Existing Investors. However, the other restrictions contained in the Agreement and these Special Articles (including Article 113) will not apply to such Transfer in any event, irrespective of the requirement to obtain the consent of the New Investor and the Existing Investors under this Article.

- (e) For the avoidance of doubt it is hereby clarified that the provisions of Articles 113.3(a) to (d) shall not be applicable for imposition of any lock-in requirements in relation to the Qualified IPO, as maybe required under Applicable Law

113.4 Investors' Right of First Offer

Without prejudice to Article 113.3, the Promoter Group shall ensure that:

- (a) If any member of the Promoter Group (a "**Seller**") proposes to sell any of his/ her Shares to any Person, the Seller shall deliver to each Investor, a written notice (a "**Seller Transfer Notice**") indicating his/ her intention to sell his/ her Shares and specifying the number of Shares (the "**Seller Transfer Shares**") that he/ she proposes to sell.
- (b) Within 21 (twenty-one) calendar days of receipt of the Seller Transfer Notice, each Investor shall serve a written notice on the Seller (in relation to an Investor, a "**ROFO Notice**" or the "**respective ROFO Notice**" of that Investor) which shall be binding on such Investor, indicating:
 - (i) in the case of the Existing Investors and the New Investor, whether or not it approves the proposed Transfer of Shares by the Seller, if such Transfer of Shares by the Seller requires an approval of the Existing Investors and the New Investor under Article 113.3 (c); and
 - (ii) whether it (either alone or together with any of its Affiliates and/ or nominees) wishes to purchase all (but not less than all) of the Seller Transfer Shares and, if so, the price (the "**Investor Offer Price**" of that Investor) at which it is offering to purchase the Seller Transfer Shares along with reasonably satisfactory evidence demonstrating its ability to pay the Investor Offer Price
- (c) If all the Investors fail to deliver a ROFO Notice within the 21 (twenty-one) calendar day period referred to in Article 113.4(b) above, they shall be deemed to have served their respective ROFO Notice stating that they do not wish to purchase the Seller Transfer Shares and the Seller shall have the right to sell the Seller Transfer Shares to any Person at such price per Seller Transfer Share and on such terms as the Seller may determine subject to Article 113.6 below.
- (d) If only 1 (one) Investor delivers a ROFO Notice (a "**ROFO Accepting Investor**") that

contains an Investor Offer Price to purchase the Seller Transfer Shares then the following shall apply:

- (i) If the Seller wishes to accept the offer of the ROFO Accepting Investor contained in its respective ROFO Notice, it shall serve a written notice to the ROFO Accepting Investor within 45 (forty-five) calendar days from the date of the ROFO Notice and such ROFO Accepting Investor shall be bound to purchase and the Seller shall be bound to sell all (but not less than all) of the Seller Transfer Shares to the ROFO Accepting Investor at its Investor Offer Price and (unless the relevant parties agree otherwise in writing) and the sale and purchase of the Seller Transfer Shares shall be completed on or before the date which is (x) 85 (eighty-five) calendar days from the date of the ROFO Notice, or (y) if later, within 14 (fourteen) Business Days of the date on which all Permits from Governmental Authorities for such sale, have been granted in form and substance satisfactory to the ROFO Accepting Investor and the Seller;
 - (ii) If the Seller does not wish to accept the offer of the ROFO Accepting Investor contained in its respective ROFO Notice, it shall serve a written notice to the ROFO Accepting Investor within 45 (forty-five) calendar days of the date of the respective ROFO Notice and thereupon the Seller shall be permitted to sell all (but not less than all) of the Seller Transfer Shares to any Person, on terms that are better for the Seller than the terms offered by the ROFO Accepting Investor, in the manner contemplated in, and subject to fulfilment and compliance by the Seller with, the provisions of Article 113.6. However if none of the Investors exercise their tag along rights under Article 113.6 then the Seller shall be permitted to sell all (but not less than all) of the Seller Transfer Shares to any Person subject to Article 113.6(d).
- (e) If at least 2 (two) Investors are ROFO Accepting Investors and the Investor Offer Price of such ROFO Accepting Investors is identical (the “**Identical ROFO Price**”), then the following shall apply:
- (i) If the Seller wishes to accept the Identical ROFO Price, the Seller shall serve a written notice to the ROFO Accepting Investors within 45 (forty-five) calendar days of the date of the later ROFO Notice and the ROFO Accepting Investors shall be bound to purchase and the Seller shall be bound to sell to each ROFO Accepting Investor such number of the Seller Transfer Shares as is pro-rata to the then inter-se shareholding percentage of the ROFO Accepting Investors in the Company on a Fully Diluted Basis (the “**respective Pro-Rata Seller Transfer Shares**”) such that the ROFO Accepting Investors purchase all (but not less than all) of the Seller Transfer Shares, and the sale and purchase of the Seller Transfer Shares to the ROFO Accepting Investors shall be completed simultaneously on or before the date which is (x) 85 (eighty-five) calendar days from the date of the later ROFO Notice, or (y) if later, within 14 (fourteen) Business Days of the date on which all Permits from Governmental Authorities for such sale, have been granted in form and substance satisfactory to the ROFO Accepting Investors and the Seller.
 - (ii) In the event any of the ROFO Accepting Investors (“**Defaulting Investor**”) fails to purchase its respective Pro-Rata Seller Transfer Shares (hereinafter the “**Default Seller Transfer Shares**”) in accordance with this Article 113.4(e)(ii) the Seller shall have the right (at its sole discretion) to sell the Default Seller Transfer Shares to the other ROFO Accepting Investors (not being the Defaulting Investor) (“**Non Defaulting Investors**”) and if the Seller exercises such right, the Non Defaulting Investors shall be bound to buy all (but not less than all) of the Default Seller Transfer Shares and the Seller shall be bound to sell all (but not less than all) of the Default Seller Transfer Shares at the Identical ROFO Price, and the sale and purchase of the Default Seller Transfer Shares to the Non Defaulting Investors shall be completed simultaneously with the sale to the Non Defaulting Investors of their respective Pro-Rata Seller Transfer Shares.
 - (iii) If the Seller does not wish to accept the Identical ROFO Price, it shall serve a written

notice to the ROFO Accepting Investors within 45 (forty-five) calendar days of the date of the later ROFO Notice and thereupon the Seller shall be permitted to sell all (but not less than all) of the Seller Transfer Shares to any Person, on terms that are better for the Seller than the terms offered by the ROFO Accepting Investors, in the manner contemplated in, and subject to fulfilment and compliance by the Seller with, the provisions of Article 113.6. However if none of the Investors exercise their tag along rights under Article 113.6 then the Seller shall be permitted to sell all (but not less than all) of the Seller Transfer Shares to any Person subject to Article 113.6(d).

- (f) Where more than one of the Investors are ROFO Accepting Investors but their Investor Offer Price differs, the Seller shall be entitled to accept the Investor Offer Price that is the highest (the “**Highest Investor Offer Price**”), from amongst the Investor Offer Price of the ROFO Accepting Investors and thereupon the following shall apply:
 - (i) If the Seller accepts the Highest Investor Offer Price, it shall serve a written notice (with a copy to the ROFO Accepting Investors whose Investor Offer Price is lower than the Highest Investor Offer Price) to the ROFO Accepting Investor whose Investor Offer Price is the Highest Investor Offer Price (the “**Highest Investor Offer Price ROFO Accepting Investor**”) within 45 (forty-five) calendar days of the date of the ROFO Notice containing the Highest Investor Offer Price and the Highest Investor Offer Price ROFO Accepting Investor shall be bound to purchase and the Seller shall be bound to sell to the Highest Investor Offer Price ROFO Accepting Investor all (but not less than all) of the Seller Transfer Shares at the Highest Investor Offer Price and (unless the relevant parties agree otherwise in writing), and the sale and purchase of the Seller Transfer Shares shall be completed on or before the date which is (x) 85 (eighty-five) calendar days from the date of the ROFO Notice containing the Highest Investor Offer Price, or (y) if later, within 14 (fourteen) Business Days of the date on which all Permits from Governmental Authorities for such sale, have been granted in form and substance satisfactory to the Highest Investor Offer Price ROFO Accepting Investor and the Seller.
 - (ii) If the Seller does not wish to accept the Highest Investor Offer Price, it shall serve a written notice to all the ROFO Accepting Investors within 45 (forty-five) calendar days of the date of the ROFO Notice containing the Highest Investor Offer Price and thereupon the Seller shall be permitted to sell all (but not less than all) of the Seller Transfer Shares to any Person, on terms that are better for the Seller than the terms offered by the Highest Investor Offer Price ROFO Accepting Investor, in the manner contemplated in, and subject to fulfilment and compliance by the Seller with, the provisions of Article 113.6. However if none of the Investors exercise their tag along rights under Article 113.6 then the Seller shall be permitted to sell all (but not less than all) of the Seller Transfer Shares to any Person subject to Article 113.6(d).
- (g) Where an Investor has indicated in its respective ROFO Notice, its intention to purchase the Seller Transfer Shares together with any of its Affiliates, references in this Article 113.4 to that Investor shall, where the context so requires, be deemed to mean a reference to that Investor and its Affiliates as specified in its respective ROFO Notice.
- (h) (A) If the Seller does not wish to accept the offer of the ROFO Accepting Investor(s) as contained in the respective ROFO Notices (as described under Articles 113.4(d)(ii), 113.4(e)(iii) and 113.4(f)(ii)) or (B) if none of the Investors offer to purchase all (but not less than all) the Seller Transfer Shares or (C) if the Investors do not purchase all (but not less than all) the Seller Transfer Shares on accepting the Seller Transfer Notice, then the Seller shall be permitted to sell all (but not less than all) of the Seller Transfer Shares to any Person at a price per Seller Transfer Share that is higher than the Investor Offer Price or the Identical ROFO Price or the Highest Investor Offer Price (as the case may be) if the sale is pursuant to (A) above or at any such price (and on such terms as the Seller may determine in its sole discretion) where the sale of the Seller Transfer Shares is in terms of (B) or (C) above, provided that:
 - (i) Article 113.6 shall apply and the Seller shall first comply with the provisions of

Article 113.6 in relation to any such sale of the Seller Transfer Shares by the Seller to such Person;

- (ii) The Seller shall deliver to each Investor a Sale Notice (as defined under Article 113.6 below) in accordance with Article 113.6(a) in relation to the Seller Transfer Shares within 75 (seventy-five) calendar days of the date of the Seller Transfer Notice; and
 - (iii) Failing the issue of a Sale Notice by the Seller to the Investors within the 75 (seventy-five) calendar days period referred to in Article 113.4(h)(ii), the provisions of this Article 113.4 shall apply again, and the Seller shall once again comply with the provisions of this Article 113.4 prior to selling any of the Seller Transfer Shares.
- (i) In the event that the Seller fails to sell to the relevant Investor all the relevant Shares upon the Seller accepting the offer of the relevant Investor in accordance with the provisions of Article 113.4(d)(i), Article 113.4(e)(i) or Article 113.4 (f)(i) other than as a result of (1) a default of the relevant Investor; (2) an event beyond the control of the Promoter Group; or (3) the non-receipt of a specific Permit of any Governmental Authority whose permission is required under Applicable Law for the compliance by the Seller of its obligations under Article 113.4(d)(i), 113.4(e)(i) or 113.4(f)(i), then notwithstanding anything to the contrary in the Agreement and these Special Articles, the restriction contained in Article 110.4 on the relevant Investor selling any Shares to a Competitor shall no longer be applicable to the relevant Investor.
- (j) For the avoidance of doubt it is clarified that nothing in this Article 113.4 shall apply in respect of any proposed Transfer by any member of the Promoter Group of any of his/ her Shares:
- (i) To his/ her Affiliate; and/ or
 - (ii) Pursuant to a Qualified IPO or any other initial public offering of Shares; and/or
 - (iii) Transfers in accordance with Articles 113.3(a), 113.3(b) and 113.3(d).

113.5 Promoter Group's Right of First Offer

- (a) Subject to Article 113.2, if the New Investor and/or the Existing Investors and/or Aptuit Asia ("**Offering Investor**") propose to sell any or all of their Shares to any Person, the Offering Investor shall deliver to the Promoter Group a written notice (a "**Transfer Notice**") which shall specify the number of Shares that they propose to sell (the "**Transfer Shares**").
- (b) Within 21 (twenty-one) calendar days of the date of the Transfer Notice, the Promoter Group (acting together) shall deliver to the Offering Investor a written notice (a "**Promoter Group ROFO Notice**") indicating whether they wish to purchase all (but not less than all) of the Transfer Shares and the price per Transfer Share ("**Offer Price**") at which they are offering to purchase the Transfer Shares along with reasonably satisfactory evidence demonstrating their ability to pay the Offer Price.
- (c) If the Promoter Group fails to deliver a Promoter Group ROFO Notice within the 21 (twenty-one) calendar day period referred to in Article 113.5(b) above, they shall be deemed to have delivered a Promoter Group ROFO Notice stating that they do not wish to purchase the Transfer Shares.
- (d) If the Promoter Group delivers a Promoter Group ROFO Notice that contains an offer to purchase the Transfer Shares, then that offer shall be capable of acceptance by the Offering Investor.
- (e) If the Offering Investor wishes to accept the offer of the Promoter Group contained in the Promoter Group ROFO Notice then:

- (i) the Offering Investor shall within 45 (forty-five) calendar days of the date of the Promoter Group ROFO Notice, serve a written notice to the Promoter Group, indicating their intention to accept the offer of the Promoter Group, as set out in the Promoter Group ROFO Notice; and
 - (ii) the Promoter Group shall be bound to purchase and the Offering Investor shall be bound to sell all the Transfer Shares at the Offer Price within (x) 85 (eighty-five) calendar days from the date of the Promoter Group ROFO Notice, or (y) if later, within 14 (fourteen) Business Days of the date on which all Permits from Governmental Authorities for such purchase, have been granted in form and substance satisfactory to the Promoter Group and the Offering Investor.
- (f) In the event that,
- (i) the Offering Investor does not wish to accept the offer of the Promoter Group contained in the Promoter Group ROFO Notice for any reason whatsoever, or
 - (ii) the Promoter Group delivers a Promoter Group ROFO Notice that states that they are not offering to purchase the Transfer Shares or that they are offering to purchase part (but not all) of the Transfer Shares or the Promoter Group is deemed to have delivered a Promoter Group ROFO Notice stating that they do not wish to purchase the Transfer Shares under Article 113.5(c),

then the Offering Investor shall be free to sell all (but not less than all) the Transfer Shares to any Person (upon such Person executing a Deed of Adherence) within a period of 85 (eighty-five) calendar days from the date of the Promoter Group ROFO Notice (as extended by such period of time, if any, required to receive any Permit from a Governmental Authority whose permission is required to complete a Transfer of the Transfer Shares), on such terms as the Offering Investor may in their sole discretion determine, and in the case of Article 113.5(f)(i) above, on terms that are better for the Offering Investor than the terms offered by the Promoter Group, provided that if the Offering Investor fails to complete the sale of the Transfer Shares to any such Person within the abovementioned 85 (eighty-five) calendar days period for any reason other than: (1) a failure by the Promoter Group and/ or the Company to comply with their respective obligations under Article 113.5(g), or (2) an event beyond the control of the Offering Investor; or (3) the non-receipt of a specific Permit of any Governmental Authority whose permission is required under Applicable Law for the compliance by the Offering Investor to complete such Transfer of the Transfer Shares, the Offering Investor shall once again comply with the provisions of this Article 113.5 prior to selling any of the Transfer Shares;

- (g) The Promoter Group and the Company shall provide all necessary support, including the sharing of Confidential Information, to allow a due diligence exercise to be conducted and to facilitate the evaluation of the sale of the Transfer Shares by the Person(s) to which the Investors propose to sell the Transfer Shares.
- (h) In the event that the Promoter Group fails to purchase all the Transfer Shares upon the Offering Investor accepting the offer of the Promoter Group in accordance with the provisions of Article 113.5(e) other than as a result of (1) a default of the Offering Investor; (2) an event beyond the control of the Promoter Group; or (3) the non-receipt of a specific Permit of any Governmental Authority whose permission is required under Applicable Law for the sale and purchase of the Transfer Shares, then notwithstanding anything to the contrary in the Agreement and these Special Articles, the restriction contained in Article 110.4 on the Investors selling any Shares to a Competitor shall no longer be applicable to the Investors.
- (i) For the avoidance of doubt it is clarified that nothing in Article 113.5 shall apply in respect of any proposed Transfer by the Investors of any of their Shares:
 - (i) to their Affiliates;
 - (ii) pursuant to Article 113.6 and Article 110.3; and

- (iii) pursuant to a Qualified IPO or any other initial public offering of Shares.

113.5A Promoter's Tag Along Right

Without prejudice to the rights of the Promoter Group in Article 113.5, in the event that the Investors propose to Transfer Shares in a Stake Sale pursuant to Article 110.4(a) representing greater than 50% (fifty per cent) of the Issued Share Capital of the Company on a Fully Diluted Basis, or (b) which include all the Existing Investors Securities and the New Investor Securities existing at such time, to a Competitor or any third Person (not being a Financial Investor) ("**Relevant Sale**"), the members of the Promoter Group shall, jointly and not severally, have the right to participate in such Relevant Sale by selling upto all their Shares in the Company by exercising a tag along right, and such Competitor or third Person shall be required to purchase all (and not less than all) the Shares offered by the members of the Promoter Group, acting jointly and not severally, pursuant to exercise of their rights hereunder. The timelines and process specified in Article 113.6 (other than in Article 113.6(c)(i), 113.6(c)(ii), 113.6(d)(iii) and 113.6 (f)) shall apply mutatis mutandis to the Relevant Sale provided however that, the term 'Tag Seller' shall refer to the Investors, the term 'Tag Offeree' shall refer to the members of the Promoter Group, acting jointly and not severally, and the term "Proposed Sale" shall refer to such Relevant Sale.

113.6 Investors' Tag Along Right

- (a) Without prejudice to Article 113.3, if any member of the Promoter Group ("**Tag Seller**") proposes to sell ("**Proposed Sale**") any of his/her Shares to any Person (other than to the Investors) (the "**Purchaser**"), the Tag Seller shall, deliver to the Investors (each, a "**Tag Offeree**") a written notice (a "**Sale Notice**") that specifies:
 - (i) The identity of the Purchaser to whom the Tag Seller proposes to sell any of his/ her Shares;
 - (ii) The maximum number of Shares (the "**Sale Shares**") that the Purchaser is willing to purchase on the Sale Terms (as defined in Article 113.6(a)(iii) below) and the number of Shares (the "**Seller Sale Shares**") that the Tag Seller proposes to sell on the Sale Terms to the Purchaser; and
 - (iii) Details of the firm and binding written offer to purchase the Sale Shares received by the Tag Seller from the Purchaser, including, the price per Share offered by the Purchaser for the Sale Shares and the other terms of the Proposed Sale (including payment terms) (collectively, the "**Sale Terms**").
- (b) For a period of 21 (twenty-one) calendar days from receipt of the Sale Notice (the "**Tag-Along Exercise Period**"), each Tag Offeree shall have the right, exercisable at its sole discretion, to require that the Tag Seller includes in the sale to the Purchaser, such number of its respective Shares (determined on an As Converted Basis if applicable) as that Tag Offeree may in its sole discretion decide (in relation to a Tag Offeree, the "**respective Tag-Along Shares**" of that Tag Offeree) on the Sale Terms (applied to the respective Tag-Along Shares on an As Converted Basis, if applicable), by notice in writing (in relation to a Tag Offeree, a "**Tag-Along Notice**" or the "**respective Tag-Along Notice**" of that Tag Offeree) to the Tag Seller. The Tag Along Notice shall constitute a binding agreement by a Tag Offeree to sell its respective Tag Along Shares in accordance with this Article 113.6.
- (c) If any of the Tag Offerees delivers a Tag-Along Notice (each such Tag Offeree an "**Exercising Offeree**" and collectively the "**Exercising Offerees**") to the Tag Seller in accordance with Article 113.6(b) above, then the following shall apply:
 - (i) If the aggregate of the number of the respective Tag-Along Shares of each of the Exercising Offeree (the "**Aggregate Tag-Along Shares**") and the Seller Sale Shares exceeds the Sale Shares then the Exercising Offeree(s) and the Tag Seller(s) shall be entitled to sell to the Purchaser, such number of its respective Tag-Along Shares or Seller Sale Shares (respectively) as is proportionate to the then inter-se shareholding percentage

of the relevant Exercising Offeree and the Tag Seller (respectively) in the Company on a Fully Diluted Basis on the Sale Terms, the aggregate being the Sale Shares; provided however that the Exercising Offerees shall be entitled to sell their respective Tag-Along Shares to the Purchaser in priority to the Tag Seller;

- (ii) If the aggregate of the number of the Aggregate Tag-Along Shares and the Seller Sale Shares is less than the Sale Shares, then each Exercising Offeree and the Tag Seller shall be entitled to sell to the Purchaser, all of its respective Tag Along Shares and the Seller Sale Shares on the Sale Terms and subject to the Purchaser executing a Deed of Adherence as a condition precedent to any such sale.
- (iii) If pursuant to a Transfer of Seller Sale Shares, the Promoter Group will hold less than 26%, then, notwithstanding anything to the contrary contained herein (including, for the avoidance of doubt, Article 113.6(c)(i) above), each Exercising Offeree shall be entitled to sell to the Purchaser, up to all of the Shares held by such Exercising Offeree. In such case, if the number of Sale Shares is less than the Aggregate Tag-Along Shares, the Tag Seller shall cause the Purchaser to increase the number of Sale Shares such that the number of Sale Shares equals the Aggregate Tag Along Shares, failing which, the Tag Seller shall not be entitled to Transfer any Seller Sale Shares to the Purchaser.
- (iv) The completion of any purchase of the respective Tag-Along Shares of each of the Exercising Offerees and the Seller Sale Shares of the Tag Seller by the Purchaser or any portion thereof in accordance with Article 113.6(b) shall:
 - (A) Occur simultaneously; and
 - (B) Unless the relevant parties agree otherwise in writing, be completed on or before the date which is (x) 65 (sixty-five) calendar days after the expiry of the Tag-Along Exercise Period, or (y) if later, within 14 (fourteen) Business Days of the date on which all Permits from Governmental Authorities for such purchase, have been granted in form and substance satisfactory to the Exercising Offerees and the Tag Seller.
- (d) If none of the Tag Offerees deliver a Tag-Along Notice within the Tag-Along Exercise Period or deliver a notice within the Tag-Along Exercise Period stating that they do not wish to exercise their tag along right, the Tag Seller may sell all of the Seller Sale Shares to the Purchaser on the Sale Terms, within 45 (forty-five) calendar days of the expiry of the Tag-Along Exercise Period subject to the following:
 - (i) The Purchaser shall execute a Deed of Adherence as a condition precedent to any such sale of the Seller Sale Shares;
 - (ii) The Tag Seller shall provide to each Tag Offeree documentation evidencing the completion of the sale of the Seller Sale Shares by the Tag Seller to the Purchaser on the Sale Terms within 60 (sixty) calendar days of the expiry of the Tag-Along Exercise Period; and
 - (iii) Failing completion of the sale of the Seller Sale Shares by the Tag Seller to the Purchaser on the Sale Terms, within 45 (forty-five) calendar days of the expiry of the Tag-Along Exercise Period (as may be extended for any receipt of any Permit), the provisions of Article 113.4 and 113.6 shall apply again, and the Tag Seller shall not be entitled to sell any of his/ her Shares (including the Seller Sale Shares) to the Purchaser or any other Person, without first complying with the provisions of Article 113.4 and this Article 113.6.
- (e) Notwithstanding anything to the contrary in the Agreement and these Special Articles, the Tag Seller shall not be entitled to sell any of the Seller Sale Shares to the Purchaser unless the Tag Seller complies with, and procures that the Purchaser complies with the provisions of Article 113.6(c) simultaneously with any such sale of the Seller Sale Shares by the Tag Seller to the Purchaser such that no Seller Sale Shares shall be sold or transferred by the Tag Seller to the Purchaser unless and until all of the respective Tag-Along Shares of each of the Exercising

Investors or a portion thereof have been purchased by the Purchaser in accordance with Article 113.6(c).

(f) In the event that the Tag Seller fails to comply with the provisions of Article 113.6(e) other than as a result of (1) a default of the Exercising Offeree(s) or the Purchaser; (2) an event beyond the control of the Tag Seller; or (3) the non-receipt of a specific Permit of any Governmental Authority whose permission is required under Applicable Law for the sale and purchase of the Tag Along Shares, then notwithstanding anything to the contrary in the Agreement and these Special Articles, the restriction contained in Article 110.4 on the Investors selling any Shares to a Competitor shall no longer be applicable to the relevant Investor.

(g) Each Party shall bear all its expenses with respect to the exit of such Party in accordance with the Agreement and these Special Articles and the stamp duty shall be borne by the Purchaser.

113.7 Notwithstanding the restrictions contained in Article 113, each Person who becomes a Shareholder pursuant to exercise of the options held under the ESOP (“**ESOP Shareholder**”), shall be entitled to Transfer (“**ESOP Shareholder Transfer**”) all or any of the Shares held by him/ her only to members of the Promoter Group subject to written notification to the Investors and none of the restrictions contained under Article 113 (other than Article 113.1) shall be applicable to such ESOP Shareholder Transfer. Notwithstanding the restrictions contained in Article 113, each Associate, shall be entitled to Transfer (“**Associate Transfer**”) all or any of the Shares held by him/ her only to members of the Promoter Group and/or other Associates subject to written notification to the Investors and none of the restrictions contained under Article 113 (other than Article 113.1) shall be applicable to such Associate Transfer. The Parties shall ensure that the terms and conditions of any Associate Transfer and ESOP Shareholder Transfer (including the price) shall be mutually decided between the relevant transferee and the transferor.

113.8 Notwithstanding anything to the contrary contained elsewhere, the Parties shall ensure that the Transfer restrictions on the Parties in the Agreement and/or these Special Articles shall not be capable of being avoided by the holding of Shares indirectly through a company or other entity that can itself or any interest therein be sold in order to dispose of the Shares or an interest therein free of such restrictions. Any such Transfer, issuance or other disposal of any shares (or other interest) resulting in any change in the Control or ownership directly or indirectly, of the Parties, or of any Affiliate of any Party which holds, directly or indirectly, any Shares of the Company at the time of the Transfer, shall be treated as being a Transfer of the Shares held by such Party, and the provisions of the Agreement and these Special Articles that apply in respect of the Transfer of Shares shall thereupon apply in respect of the shares so held.

113.9 Notwithstanding anything to the contrary contained herein, if the Promoter Group holds any Shares through any Affiliate (including any holding company or special purpose vehicle), then 100% of the legal and economic ownership of such Affiliate of the Promoter Group must be held, directly or indirectly, by members of the Promoter Group who are individuals or any Relative of such members of the Promoter Group (“**Qualifying Affiliate**”). In case ownership of such Affiliates reduces below 100%, the relevant Party shall at least 7 (seven) Business Days prior to such cessation, Transfer the Shares held to another Qualifying Affiliate, provided such Qualifying Affiliate executes a Deed of Adherence.

113.10 **Issue of further Shares**

(a) Subject to the terms of the Agreement (including but not limited to the Reserved Matters) and these Special Articles, the Board may from time to time, determine the further capital contributions of the Company. Any further contributions (including through fresh issue of Shares, convertible instruments, warrants or other securities) to the Issued Share Capital shall, subject to the terms hereof, be offered to the existing Shareholders (including the Investors and the Promoter Group) in the proportion of their respective shareholding in the Company on a Fully Diluted Basis, unless otherwise agreed between the Parties. However, the provisions of this Article shall not apply to (i) Equity Shares issuable upon conversion of any Preference Shares; (ii) Shares issued or issuable under the ESOP; (iii) proportionate Shares issued in connection with any stock split, stock dividend, distribution, reclassification or

recapitalization of the Company, and (iv) Shares issued pursuant to a public offering (including the Qualified IPO) undertaken by the Company.

- (b) The valuation in respect of any fresh issue of Shares shall be as determined by the Board, subject to the affirmative consent of the New Investor and the Existing Investors in accordance with Article 112.12.
- (c) Without prejudice to Article 113.10(a) above, in the event the Company and/ or the Board propose to issue Shares to any potential investor on a preferential basis then the Investors and the Promoter Associates (each, an “**Offered Shareholder**”) shall have the right (but not the obligation) to subscribe to such fresh issue of Shares at the same price and on terms and conditions no less favorable than as offered by the Company to such potential investor within 30 (thirty) days of such offer being made.
- (d) It is hereby clarified that in the event any such Offered Shareholder renounces its right, or fails, to subscribe to all or part of any Shares of the Company offered to such Offered Shareholder in accordance with this Article 113.10 (each, a “**Renouncing Shareholder**”), the other Offered Shareholders shall have a right, pro rata to their inter-se shareholding in the Company on a Fully Diluted Basis, to subscribe to such Shares that shall have been renounced or not subscribed to by the Renouncing Shareholders on the same terms and the shareholding of the Parties shall stand modified accordingly.
- (e) The Parties shall ensure that the (a) Investors shall be entitled to subscribe to Shares of the Company either by themselves or through their respective Affiliates and shall also be entitled to renounce their rights in favour of any Affiliates; and (b) Promoter Group shall be entitled to subscribe to Shares of the Company either by themselves or through their Relatives or through an entity which is wholly owned by the members of the Promoter Group and/or their Relatives (“**Related Entity**”) and shall also be entitled to renounce their rights in favour of any Relatives or in favour of any Related Entity, provided such Affiliate or Relative or Related Entity (as the case may be) executes a Deed of Adherence. It is hereby clarified that, in case any Affiliate ceases to be an Affiliate of the Investors or the Related Entity ceases to be wholly owned by the members of the Promoter Group and/or their Relatives, as the case may be, at anytime subsequent to the allotment, the Investors or the Promoter Group, as the case may be, shall at least 7 (seven) Business Days prior to such cessation, purchase all of the Shares held by such Affiliate or Related Entity (as the case may be) or procure the Transfer of such Shares to another of its Affiliates or Relatives or Related Entity (as the case may be), provided such Affiliate or Relative or Related Entity (as the case may be) executes a Deed of Adherence.

113.11 **Legend**

The share certificates representing the Existing Investors Securities, the New Investor Securities and the Shares held by the Promoter shall, for as long as the Agreement and these Special Articles are effective, bear a legend as follows:

“THE TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE SHALL BE SUBJECT TO THE PROVISIONS OF THAT CERTAIN INVESTMENT AGREEMENT AMONG THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY NAMED THEREIN OR SUBSEQUENTLY ADHERING THERETO. A COPY OF SUCH INVESTMENT AGREEMENT IS ON FILE AT THE REGISTERED OFFICE OF THE COMPANY. THE COMPANY WILL NOT REGISTER THE TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE UNLESS THE TRANSFER HAS BEEN MADE IN ACCORDANCE WITH SUCH INVESTMENT AGREEMENT.”

113.12 **Encumbrances by Investors**

The Investors may create an Encumbrance on the Shares held by them in the Company; provided however that (i) they shall intimate the Company and the Promoter Group of the same in writing, and (ii) any enforcement of such Encumbrance shall first be subject to the terms of Articles 113.2 and 113.5 (to the extent applicable), and the Investors shall be obligated to inform the relevant counterparty of

such restriction on the disposal of Shares of the Company held by them (and the rights of the Promoter Group thereunder) at the time of creating the Encumbrance.

113.13 **Affiliate Rights and Obligations**

Notwithstanding any provisions to the contrary in the Agreement and these Special Articles, if any Shareholder Transfers all or part of its Shares to any Affiliate (or Qualifying Affiliate, as the case may be) or additional Shares are issued to any Affiliate pursuant to Article 113.10, in accordance with the terms of the Agreement and these Special Articles:

- (i) the concerned Shareholder and/or its Affiliates (or Qualified Affiliates, as the case may be) (collectively, the “**Shareholder Group**”) shall be treated as a single shareholder and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one member of the Shareholder Group of its rights, obligations, covenants or undertakings hereunder shall be deemed to be a collective breach by the other members of the Shareholder Group of their respective rights, obligations, covenants and undertakings hereunder; and
- (ii) in the context of the Shareholder Group constituted by: (a) the New Investor and its Affiliates; (b) the Existing Investors and their Affiliates; and (c) Aptuit Asia and its Affiliates, any one member of the relevant Shareholder Group, shall:
 - (a) act for and on behalf of all members of that Shareholder Group under the Agreement and these Special Articles in respect of any right, action or waiver to be exercised or any obligation to be performed by any member of such Shareholder Group (including but not limited to the nomination, replacement or removal of the Directors or exercise of any rights in relation to Reserved Matters, if applicable); and
 - (b) be responsible for causing each of the members of that Shareholder Group to perform its obligations, covenants and undertakings hereunder, and the exercise or performance of any rights, obligations, covenants or undertakings hereunder by such nominee shall be deemed to constitute an exercise or performance of such rights, obligations, covenants or undertakings hereunder, as the case may be, by the relevant Shareholder Group as a collective.

114. **TERMINATION OF RIGHTS**

114.1. Notwithstanding any other provision in the Agreement and these Special Articles,

- (a) In the event the New Investor (together with their Affiliates who hold Shares) ceases to hold at least 8% (eight percent) of the Issued Share Capital (on a Fully Diluted Basis and an As Converted Basis) pursuant to a sale of Shares by the New Investor, then the rights and obligations of the New Investor under the Agreement and these Special Articles (other than the rights under Article 111, Article 112.14.2 and Article 113.6 and the obligations under Article 113) shall terminate automatically; provided however that the term “New Investor Investment Amount” for the purpose of the surviving Article 111 shall stand reduced to the extent of the proportionate reduction in the number of Shares held by the New Investor in comparison to the number of Shares held by the New Investor on Closing.
- (b) In the event the Existing Investors (together with their Affiliates who hold Shares) in aggregate cease to hold at least 8% (eight percent) of the Issued Share Capital (on a Fully Diluted Basis and an As Converted Basis) pursuant to a sale of Shares by the Existing Investors, then the rights and obligations of the Existing Investors under the Agreement and these Special Articles (except the rights under Article 111, Article 112.14.2 and Article 113.6 and the obligations under Article 113) shall terminate; provided however that the term “Existing Investor Investment Amount” for the purpose of the surviving Article 111 shall stand reduced to the extent of the proportionate reduction in the number of Shares held by the Existing Investors in comparison to the number of Shares held by the Existing Investors on Closing.
- (c) In the event Aptuit Asia (together with their Affiliates who hold Shares) ceases to hold at least 8%

(eight percent) of the Issued Share Capital (on a Fully Diluted Basis and an As Converted Basis) pursuant to a sale of Shares by Aptuit Asia, then the rights and obligations of Aptuit Asia under the Agreement and these Special Articles (except the rights under Article 111, Article 112.14.2 and Article 113.6 and the obligations under Article 113) shall terminate; provided however that the term “Aptuit Investment Amount” for the purpose of the surviving Article 111 shall stand reduced to the extent of the proportionate reduction in the number of Shares held by Aptuit Asia in comparison to the number of Shares held by Aptuit Asia on Closing;

- (d) For the avoidance of doubt it is clarified that for the purpose of determining whether any Investor (together with its Affiliates who hold Shares) ceases to hold at least 8% of the Issued Share Capital on a Fully Diluted Basis and an As Converted Basis for the purpose of Article 114.1(a), (b) or (c) (as the case may be), all future issuance of Shares by the Company post Closing will not be considered.
- (e) It is clarified that any termination of rights under these Special Articles under Article 114.1 shall be effective only as against the Investor ceasing to hold the prescribed number of Shares and shall not affect the rights and/ or obligations of any other Party under the Agreement and these Special Articles. It is further clarified that all rights as are available to such Investor under Applicable Law in its capacity as a shareholder of the Company shall not be prejudiced or affected in any manner by the foregoing provisions of this Article 114.1. The Company and the Promoter shall not do any act, deed, matter or thing that adversely affects the rights of such Investor relative to the other Shareholders.
- (f) For the avoidance of doubt it is hereby clarified that the provisions of Clause 114.1(a) to (e) shall not be applicable upon listing of the Equity Shares pursuant to a Qualified IPO

115. EVENT OF DEFAULT

115.1 Investors Put Option

Upon the occurrence of an Event of Default (in relation to the Existing Investors and the New Investor) or an Aptuit Event of Default (in relation to Aptuit Asia), in addition to any other rights the relevant Investor as above (each, an “**Aggrieved Investor**”) may have under the Agreement and these Special Articles but subject to Clause 12.12 of the Agreement and/ or Applicable Law:

- (a) The obligations of the Aggrieved Investor *vis-à-vis* the Company and the Promoter Group under Article 113 shall cease to be applicable;
- (b) The Aggrieved Investor shall have the right to Transfer all (or any) of their respective Shares to any Person (including one or more Competitors) as may be identified by the Aggrieved Investor without any restriction or condition whatsoever (including for the avoidance of doubt any restriction or condition prescribed under the Agreement and these Special Articles);

And/ or

- (c) The Aggrieved Investor shall have the option (“**Default Put Option**”) exercisable in its sole discretion to require by written notice (a “**Default Put Option Exercise Notice**”) to the Promoter Group, that the Promoter Group purchase (or designate a nominee to purchase so long as the Aggrieved Investor shall not be subjected to any liability or obligation (in the sole opinion of the Aggrieved Investor acting reasonably) or procure the purchase by way of a buy back by the Company) from the Aggrieved Investor any or all of the Shares held by such Aggrieved Investor in the Company (“**Default Shares**”) for a price as provided under the Agreement (“**Default Price**”). On receipt of the Default Put Option Exercise Notice the Promoter Group shall be irrevocably bound to purchase or procure the purchase of all of the Default Shares at the Default Price within 60 (sixty) calendar days from receipt of the Default Put Option Exercise Notice.

- 115.2 The Parties shall ensure that notwithstanding any other provision in the Agreement and the Special Articles, upon the issue of a Default Put Option Exercise Notice in accordance with Article 115, subject to and save as set out under Article 115.3 below, the New Investor, the Existing Investors and/or Aptuit Asia (as the case may be) will not exercise their rights under the Agreement and these

Special Articles in a manner that imposes any restrictions whatsoever (including restrictions pertaining to raising sufficient funds) on the Promoter Group from purchasing the Default Shares pursuant to and in accordance with Article 115.

- 115.3 Upon an Aggrieved Investor exercising its rights under Article 115.1(c) above and exercising the Default Put Option, the Other Investor(s) shall have the right, but not the obligation, to require the Promoter to acquire all of the Shares held by such Other Investor(s) at a price which would have been payable if such Other Investor was the Aggrieved Investor. The Promoter Group shall be irrevocably bound to purchase or procure the purchase of all of the Shares of such Investor(s) who have exercised their right under this Article 115.3 simultaneously with the sale and purchase of the Default Shares.
- 115.4 It is further clarified that in relation to a transferee or assignee (not being an Affiliate) of any Investor who has accepted to adhere to the Agreement pursuant to Clause 22.2 of the Agreement, the return shall be calculated in accordance with the Agreement.

116. ADJUSTMENTS FOR SHARE SPLITS, ETC.

- 116.1 Wherever in the Agreement and these Special Articles there is a reference to a specific number or percentage of Equity Shares or Preference Shares (including Equity Shares to be issued upon conversion of the Preference Shares) or any other Shares held by the Investors, then, upon the occurrence of any Adjustment Event of the Shares held by the Investors, the specific number of the Shares so referenced in the Agreement and these Special Articles shall automatically be proportionally adjusted to reflect the effect on the outstanding Shares of such class or series of Shares by such Adjustment Event.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated August 19, 2016 entered into amongst our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated August 18, 2016 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank and the Refund Bank.
4. Share Escrow Agreement dated [●] between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated September 19, 2005.
3. Fresh certificate of incorporation dated February 12, 2007 issued by the RoC to our Company at the time of conversion from a private limited company to a public limited company and upon change of name.
4. Fresh certificate of incorporation dated July 19, 2007 issued by the RoC to our Company consequent upon change of name.
5. Fresh certificate of incorporation dated July 24, 2007 issued by the RoC to our Company at the time of conversion from a public limited company to a private limited company and upon change of name.
6. Fresh certificate of incorporation dated February 21, 2012 issued by the RoC to our Company consequent upon change of name.
7. Fresh certificate of incorporation dated August 16, 2016 issued by the RoC at the time of conversion from a private limited company into a public limited company and upon change of name.
8. Resolution of our Board of Directors dated August 9, 2016 in relation to the Offer and other related matters.
9. Shareholders' resolution dated August 11, 2016 in relation to the Offer and other related matters.

10. Resolution dated June 15, 2016 passed by the board of directors of Aptuit in relation to the Offer for Sale.
11. Resolution dated August 16, 2016 passed by the board of directors of Bluewater in relation to the Offer for Sale.
12. Resolution dated August 10, 2016 passed by the board of directors of FIL Capital Management in relation to the Offer for Sale.
13. Resolution dated August 11, 2016 passed by the board of directors of FIL Capital Advisors in relation to the Offer for Sale.
14. The examination reports of the Statutory Auditors dated August 16, 2016, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
15. The Statement of Tax Benefits dated August 16, 2016 from the Statutory Auditors.
16. Consent of the Directors, the BRLMs, the Syndicate Members, the Domestic Legal Counsel to our Company, Legal Counsel to the BRLMs as to Indian Law, the International Legal Counsel to the BRLMs, the Indian Legal Counsel to the Selling Shareholder(s), the Registrar to the Offer, the Escrow Collection Bank, the Bankers to our Company, the Refund Bank, the Company Secretary and Compliance Officer, lenders to our Company and the Chief Financial Officer as referred to in their specific capacities.
17. Due Diligence Certificate dated August 19, 2016 addressed to the SEBI from the BRLMs.
18. Consent of Statutory Auditors, M/s S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditors on the Restated Financial Statements dated August 16, 2016 and the statement of tax benefits dated August 16, 2016 included in this Draft Red Herring Prospectus but not construing to be "experts" as defined under the Securities Act.
19. Copies of annual reports of our Company as of and for the Financial Years ended March 31, 2012, 2013, 2014, 2015 and 2016.
20. Consent letter dated August 17, 2016 from Frost & Sullivan for using excerpts of the report titled "Independent Market Research Report for IPO covering Anti-Retro Virals (ARV) in Selected Geographies, June 2016", "Independent Market Research Report for IPO covering Hepatitis C in India, May 2016", "Independent Market Research Report for IPO covering Oncology in G7 Countries", "Independent Market Research Report for IPO covering Contract Research and Manufacturing Services (CRAMS) in India, June 2016" and "Independent Market Research Report for IPO covering Nutraceuticals in Selected Geographies, June 2016".
21. Investment agreement dated December 7, 2011 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, Aptuit, Aptuit LLC, FIL Capital Management and FIP.
22. Investment agreement dated May 2, 2014 entered into amongst our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company.
23. Share Purchase Agreement dated May 2, 2014 executed between our Company, Bluewater and FIL Capital Management.
24. Share Purchase Agreement dated May 2, 2014 executed between our Company, Bluewater and certain shareholders of our Company.

25. Amendment letter agreement dated August 18, 2014 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar, V V Dr. Raju Srihari Kalidindi, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company.
26. Amendment agreement dated October 28, 2014 executed between our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company
27. Amendment Agreement dated October 28, 2014 executed between our Company, Bluewater and certain shareholders of our Company
28. Resolution dated August 9, 2016 passed by the Board and resolution dated August 11, 2016 passed by the Shareholders approving the appointment and remuneration of Chandrakanth Chereddi
29. Amendment agreement dated August 11, 2016 to the investment agreement dated May 2, 2014 entered into amongst our Company, Dr. Satyanarayana Chava, Naga Rani Chava, Ravi Kumar V V, Dr. Raju Srihari Kalidindi, Dr. Lakshmana Rao CV, FIL Capital Management, FIP, Aptuit, Bluewater and other shareholders of our Company.
30. Share subscription agreement dated August 21, 2013 between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao and CR Eco Ventures Private Limited.
31. Shareholders' agreement dated August 21, 2013 between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao, CR Eco Ventures Private Limited and other existing shareholders of Sriam Labs, and the addenda to the Sriam Labs SHA dated January 17, 2014 and April 25, 2014.
32. Share purchase agreement dated June 8, 2016 between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao, CR Eco Ventures Private Limited and certain other shareholders of Sriam Labs.
33. Amendment to the Share Purchase Agreement dated August 10, 2016 executed between our Company, Sriam Labs, Dr. C R Naidu, C Harikiran, Dr. V Uma Maheshwar Rao, CR Eco Ventures Private Limited and certain other shareholders of Sriam Labs
34. Share purchase agreement dated April 18, 2016 executed between our Company, Padiyath Mohammed Akbarali, Dr. Satyanarayana Chava and Viziphar, and the amendment agreement dated April 18, 2016.
35. Employment agreement dated April 30, 2015 executed between our Company and Dr. Satyanarayana Chava and the amendment agreement dated June 30, 2016.
36. Employment agreement dated April 30, 2015 executed between our Company and Dr. Raju Srihari Kalidindi and the amendment agreement dated June 30, 2016.
37. Employment agreement dated April 30, 2015 executed between our Company and Ravi Kumar V V and the amendment agreement dated June 30, 2016.
38. Certificate dated August 16, 2016 from Ramasamy Koteswara Rao & Co., Chartered Accountants, in relation to utilisation of loans.
39. Certificate dated August 18, 2016 from Ramasamy Koteswara Rao & Co., Chartered Accountants, in relation to ESOP 2011 and ESOP 2016.
40. SEBI's observation letter number [●] dated [●].
41. In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
42. Tripartite agreement dated August 13, 2016 between our Company, NSDL and the Registrar to the Offer.
43. Tripartite agreement dated [●] between our Company, CDSL and the Registrar to the Offer.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS AND THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____	Amal Ganguli (Non-Executive, Chairman and Independent Director)
_____	Dr. Satyanarayana Chava (Executive, Whole Time Director and Chief Executive Officer)
_____	Dr. Raju Srihari Kalidindi (Executive, Whole Time Director)
_____	Ravi Kumar V V (Executive, Whole Time Director and Chief Financial Officer)
_____	Chandrakanth Chereddi (Executive, Whole Time Director)
_____	Francis Jackson Wright (Non-Executive, Nominee Director)
_____	Rajesh Kumar Dugar (Non-Executive, Nominee Director)
_____	Narendra Ostawal (Non-Executive, Nominee Director)
_____	Conner Town Mulvee (Non-Executive, Nominee Director)
_____	Aruna Rajendra Bhinge (Non-Executive, Independent Director)
_____	Dr. Rajesh Koshy Chandy (Non-Executive, Independent Director)
_____	Ramesh Subrahmanian (Non-Executive, Independent Director)

Place: Hyderabad

Date: August 19, 2016

DECLARATION

Aptuit (Asia) Private Limited certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Aptuit (Asia) Private Limited assumes no responsibility for any other statements in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For **Aptuit (Asia) Private Limited**

Place: Singapore

Date: August 19, 2016

DECLARATION

Bluewater Investment Ltd certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Bluewater Investment Ltd assumes no responsibility for any other statements in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For **Bluewater Investment Ltd**

Place: Port Louis, Mauritius

Date: August 19, 2016

DECLARATION

FIL Capital Advisors Trustee Company Private Limited, in its capacity as the trustee of Fidelity India Principals certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. FIL Capital Advisors Trustee Company Private Limited, in its capacity as the trustee of Fidelity India Principals assumes no responsibility for any other statements in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For FIL Capital Advisors Trustee Company Private Limited, in its capacity as the trustee of Fidelity India Principals

Place: Gurgaon, Haryana

Date: August 19, 2016

DECLARATION

FIL Capital Management (Mauritius) Limited certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. FIL Capital Management (Mauritius) Limited assumes no responsibility for any other statements in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For **FIL Capital Management (Mauritius) Limited**

Place: Port Louis, Mauritius

Date: August 19, 2016