

## RED HERRING PROSPECTUS

Dated: April 19, 2017

Please read section 32 of the Companies Act, 2013

Book Built Offer



## ZOTA HEALTH CARE LIMITED

Our Company was incorporated as "Zota Health Care Private Limited" at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated July 12, 2000 bearing Registration Number 04-38352 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on July 28, 2008 and the name of our Company was changed to "Zota Health Care Limited" and a Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 18, 2008 was issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U24231GJ2000PLC038352. For details of Incorporation, Change in the Name and Registered Office of our Company, please refer to chapters titled "*General Information*" and "*Our History and Certain Other Corporate Matters*" beginning on pages 74 and 187 of this Red Herring Prospectus..

**Registered office:** Zota House, 2/896 Hira Modi Street, Sagrampura, Surat-395002, Gujarat, India

**Tel:** +91 261 2331601; **Fax:** +91 261 2346415; **E-mail:** info@zotahealthcare.com; **Website:** www.zotahealthcare.com

**Contact Person:** Ashvin Variya, Company Secretary & Compliance Officer

**PROMOTERS OF OUR COMPANY:** KETANKUMAR ZOTA, MANUKANT ZOTA, HIMANSHU ZOTA AND KAMLESH ZOTA

## THE OFFER

**PUBLIC OFFER OF 46,80,000 EQUITY SHARES OF FACE VALUE OF 10/- EACH ("EQUITY SHARES") OF ZOTA HEALTH CARE LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGRAGATING UP TO RS [●] LAKHS ("OFFER") COMPRISING A FRESH ISSUE OF 31,80,000 EQUITY SHARES AGGRAGATING UP TO RS. [●] BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 3,60,000 EQUITY SHARES BY MANUKANT ZOTA, 3,60,000 EQUITY SHARES BY VARSHABEN ZOTA, 4,80,000 EQUITY SHARES BY KETANKUMAR CHANDUL ZOTA (HUF) AND 3,00,000 EQUITY SHARES BY MANISHA ZOTA (COLLECTIVELY REFERRED TO AS THE "PROMOTOR/PROMOTOR GROUP SELLING SHAREHOLDERS") AGGRAGATING 15,00,000 EQUITY SHARES BY THE PROMOTOR/PROMOTOR GROUP SELLING SHAREHOLDERS ("OFFER FOR SALE") AND TOGETHER WITH THE FRESH ISSUE ("THE OFFER"). THE OFFER COMPRISES OF 2,38,000 EQUITY SHARES OF FACE VALUE RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGRAGATING RS. [●] WHICH WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"), THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF 44,42,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGRAGATING RS. [●] IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 26.68% AND 25.32%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND SURAT EDITION OF THE GUJARATI NEWSPAPER DHABKAR (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, 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 MERGE PLATFORM NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE MERGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Offer only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Offer Procedure" beginning on page 380 of this Red Herring Prospectus. A copy of the Red Herring Prospectus is delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013.

**THE OFFER IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS").** For further details please refer the section titled 'Offer Information' beginning on page 370 of this Red Herring Prospectus.

## RISKS IN RELATION TO FIRST OFFER

This being the first public Offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. 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 and the Selling Shareholders, in consultation with the BRLMs as stated in "Basis for Offer Price" on page 117 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

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

## COMPANY'S &amp; SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this 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, the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only to the extent of the information in the statements specifically confirmed or undertaken by such Selling Shareholders and the respective proportion of the Offered Shares offered by them in this Red Herring Prospectus

## LISTING

The Equity Shares of our Company offered through this Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received an in-principle approval letter dated March 08, 2017, from National Stock Exchange of India Limited for using its name in this offer document for listing of our shares on EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Offer EMERGE Platform of National Stock Exchange of India Limited shall be the Designated Stock Exchange.

## BOOK RUNNING LEAD MANAGER

## REGISTRAR TO THE ISSUE



**PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**  
406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051.  
Tel: +91-22 6194 6724  
Fax: +91-22 2659 8690  
Website: www.pantomathgroup.com  
Email: ipo@pantomathgroup.com  
Investor Grievance Id: ipo@pantomathgroup.com  
Contact Person: Kirti Kanoria  
SEBI Registration No: INM000012110

**INDIAN OVERSEAS BANK**  
Merchant Banking Division, 763, AnnaSalai, Chennai-600 002  
Tel: +91 44 2851 9548/2888 9367  
Email: mbd@jobnet.co.in  
Investor Grievance Email: mbdregu@jobnet.co.in  
Website: www.job.in  
Contact Person: (i) Mrs. B. Gomathy / Mrs. S. Chandra,  
Merchant Banking Division, Chennai  
(ii) Mr. Muralidharan, Capital Market Services Branch, Mumbai,  
Tel: +91 22 2262 2017/2262 2018;  
Compliance Officer: Mrs. B. Gomathy  
SEBI Registration No: INM000001386

**SATELLITE CORPORATE SERVICES PVT LTD**  
B-302, Sony Apartment, Opp. St. Jude's High School,  
90, Feet Road, Jarimari,  
Sakinaka, Mumbai-400072  
Tel: +91 22 2852 0461  
Fax: +91 22 2851 1809  
Email: service@satellitecorporate.com  
Website: www.satellitecorporate.com  
Contact Person: Michael Monteiro  
SEBI Registration Number: INR000003639

## OFFER PROGRAMME

BID/OFFER OPENS ON : THURSDAY, APRIL 27, 2017

BID/OFFER CLOSES ON : TUESDAY, MAY 2, 2017

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

In this Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

#### **Company Related and Selling Shareholders Related Terms**

<b>Term</b>	<b>Description</b>
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
“Auditor” or “Statutory Auditor/ Peer Reviewed Auditor”	The Statutory Auditor of our Company, being M/s. Pradeep K. Singhi & Associates, Chartered Accountants
Banker to our Company	Such banks which are disclosed as Bankers to the Company in the chapter titled “ <i>General Information</i> ” on page 74 of this Red Herring Prospectus.
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ashvin Variya
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each fully paid up.
Equity Shareholders	Persons / Entities holding Equity Shares of our Company
Group Companies	Such Companies as are included in the chapter titled “ <i>Our Group Companies</i> ” beginning on page 211 of this Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE358U01012
Ketankumar Chandulal Zota (HUF) offered shares	Up to 4,80,000 Equity Shares offered by Ketankumar Chandulal Zota (HUF) in the Offer for Sale as per authorization letter dated September 10, 2016
Manisha Zota offered shares	Up to 3,00,000 Equity Shares offered by Manisha Zota in the Offer for Sale as per authorization letter dated September 10, 2016
Manukant Zota offered shares	Up to 3,60,000 Equity Shares offered by Manukant Zota in the Offer for Sale as per authorization letter dated September 10, 2016
“Memorandum of Association” or “Memorandum” or “MOA”	The Memorandum of Association of our Company, as amended from time to time
“Promoter”, “Promoters” or “our Promoters” or “Individual Promoters”	Promoters of our Company being Himanshu Zota, Kamlesh Zota, Ketankumar Zota and Manukant Zota.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and as disclosed in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” on page 206 of this Red Herring Prospectus
Registered Office	The Registered office of our Company situated at Zota House, 2/896 Hira Modi Street, Sagrampura, Surat-395002
RoC / Registrar of Companies	Registrar of Companies, Gujarat at Ahmedabad, located at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013
Shareholders	Shareholders of our Company

Term	Description
Selling shareholders	Manukant Zota, Ketankumar Chandulal Zota (HUF), Varshaben Zota and Manisha Zota
Varshaben Zota offered shares	Up to 3,60,000 Equity Shares offered by Varshaben Zota in the Offer for Sale as per authorization letter dated September 10, 2016
“you”, “your” or “yours”	Prospective investors in this Issue
“Zota Health Care Limited”, or “the Company”, or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Zota Health Care Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956

### Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful 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.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bidders	Any Bidder except Anchor Investor
ASBA form/ Bid Cum Application	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Surat and Ahmedabad
Bankers to the Offer	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public offer Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled “ <i>Offer Procedure</i> ” beginning on page 380 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price,

Term	Description
	the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bid Cum Application Collecting Intermediaries	<ol style="list-style-type: none"> <li>1. a SCSB with whom the bank account to be blocked, is maintained</li> <li>2. a syndicate member (or sub-syndicate member) If any</li> <li>3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker') if any</li> <li>4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Surat edition of the Gujarati newspaper Dhabkar, each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations
Bid/ Offer Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in All edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Surat edition of the Gujarati newspaper Dhabkar, each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective Resident Indian 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
Bidding/collecting Centre	Centres at which 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 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 Pantomath Capital Advisors Private Limited (PCAPL) and Indian Overseas Bank (IOB).
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Ltd.

Term	Description
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Cut-off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLMs.  Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which the Collection Banks transfer funds from the public offer accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Ltd
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Draft Red Herring	This Draft Red Herring Prospectus dated November 18, 2016 issued in

Term	Description
Prospectus or DRHP	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 NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
First/sole 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 will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to 31,80,000 Equity Shares aggregating up to Rs. [●] by our Company.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document/GID	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 and included in "Offer Procedure" beginning on page 380 of this Red Herring Prospectus.
Listing Agreement`	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Ltd
Market Making Agreement	Market Making Agreement dated January 09, 2017 between our Company, Book Running Lead Managers and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Pvt Ltd who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 2,38,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Offer.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Emerge Platform of NSE/SME Exchange	The Emerge platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
NSE	National Stock Exchange of India Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 44,42,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further information about use of the Offer Proceeds and the Offer expenses, see "Objects of the Offer" on page 110 of this Red Herring Prospectus.
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of

Term	Description
	more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
Offer	The initial public offer of up to 46,80,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] comprising the Fresh Issue of 31,80,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] and the Offer for Sale of up to 3,60,000 Equity Shares by Manukant Zota, up to 3,60,000 Equity Shares by Varshaben Zota, up to 4,80,000 Equity shares by Ketankumar Chandulal Zota (HUF) and upto 3,00,000 Equity Shares by Manisha Zota, collectively aggregating up to Rs.[●]
Offer Agreement	The agreement dated September 12, 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 up to 15,00,000 Equity Shares aggregating up to Rs.[●] by the Selling Shareholders at the Offer Price in terms of the Red Herring Prospectus, consisting of Manukant Zota offered shares, Varshaben Zota Offered Shares, Ketankumar Chandulal Zota (HUF) Offered Shares and Manisha Zota Offered Shares. For further details in relation to Selling Shareholders, see " <i>The Offer</i> " on page 72 of this Red Herring Prospectus.
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Offer that is available to our Company and the Selling Shareholders For further information about use of Offer Proceeds, see " <i>Objects of the Offer</i> " on page 110 of this Red Herring Prospectus.
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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in All edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business

Term	Description
	Standard and Surat edition of the Gujarati newspaper Dhabkar, each with wide circulation
Pricing date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 & 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information
Public Offer Account	Account opened with the Banker to the Offer i.e. ICICI Bank Limited and Indusind Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Offer Account Agreement/ Banker to the Offer Agreement	Agreement entered on September 12, 2016 amongst our Company, Selling Shareholders, Book Running Lead Managers, the Registrar to the Issue and Public Offer Bank/Banker to the Offer for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
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 will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. 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 on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Satellite Corporate Services Private Limited having registered office at B-302, Sony Apartment, Opp. St. Jude High School, 90 Ft. Road, Jarimari, Sakinaka, Mumbai-400072
Registrar Agreement	The agreement dated September 12, 2016, entered by our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual	Individual Bidders, or minors applying through their natural guardians,

<b>Term</b>	<b>Description</b>
Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	including HUFs (applying through their <i>Karta</i> ), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised_Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised_Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Share Escrow Agreement	The Agreement to be entered into among the Selling Shareholders, our Company, BRLMs and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer For Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allotees
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely Satellite Corporate Services Pvt Ltd
SME Exchange	Emerge Platform of National Stock Exchange of India, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Sub-Syndicate members	A SEBI registered member of National Stock Exchange of India Limited appointed by the BRLMs and/or Syndicate Member to act as a Sub-Syndicate Member in the offer.
Syndicate Agreement	Agreement dated January 09, 2017 entered into amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Pvt Ltd
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	Pantomath Capital Advisors Private Limited and Indian Overseas Bank
Underwriting Agreement	The agreement dated September 12, 2016 entered into between the Underwriters, Selling Shareholders and our Company
Working Day	“Working Day” means all days, other than second and fourth Saturday of

Term	Description
	the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (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

### Technical and Industry Related Terms

Term	Description
AIDS	Acquired Immuno Deficiency Syndrome
ANDA	Abbreviated New Drug Application
API	Active Pharmaceutical Ingredient
ARMs	Additional Revenue Measures
ARIPO	African Regional Intellectual Property Organization
ARV	Anti Retro Virals
ASPIRE	A scheme for Promoting Innovation and Rural Entrepreneurs
BBB	Better Business Bureaus
BPL	Below Poverty Line
B.Pharma	Bachelor of Pharmacy
BSE	Bombay Stock Exchange
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE (Bombay Stock Exchange)
CAGR	Compound Annual Growth Rate
CGMP	Current Good Manufacturing Practices
CGTMSE	Credit Guarantee Trust Fund for Micro and Small Enterprises
CLCSS	Credit Linked Capital Subsidy Scheme
CPI	Consumer Price Index
CRAMS	Contract Research and Manufacturing Services
Credit Suisse	Credit Suisse Business Analytics India
CSO	Central Statistics Office
CY	Current Year
DCGI	Drug Controller General of India
DGVCL	Dakshin Gujarat Vij Company Limited
DMF	Drug Master File
EAPO	Eurasian Patent Organization
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
EPI	Expanded Programme on Immunization
FDFs	Finished Dosage Formulations
FICCI	Federation of Indian Chambers of Commerce and Industry
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
GST	Goods and Services Tax
GVA	Gross Value Added
HEPA	High Efficiency Particulate Air Filters
HP	Horse Power
IBEF	India Brand Equity Foundation

Term	Description
IFC	International Finance Corporation
IIP	Index of Industrial Production
IMF	International Monetary Fund
IPA	Indian Pharmaceutical Association
IPC	Indian Pharmacopoeia Commission
ISO	International Organization for Standardization
JV	Joint Venture
LLC	Limited Liability Company
M&A	Mergers and Acquisitions
MAT	Minimum Alternative Tax
Mn	Million
MNC	Multi-National Corporations
M-o-M	Month-On-Month
MPP	Medicines Patent Pool
MR	Medical Representative
M.Sc.	Master of Science
MSECDP	Micro and Small Enterprises- Cluster Development Programme
MSMEs	Micro, Small and Medium Enterprises
MT	Million Tones
MYEA	Mid-Year Economic Analysis
NIPER	National Institute of Pharmaceutical Education and Research
NME	New Molecular Entities
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation
OTC	Over the Counter
PC	Pay Commission
PE	Private Equity
Pharmexcil	Pharmaceuticals Exports Promotion Council
Ph.D	Doctor of Philosophy
PIB	Press Information Bureau
PMEGP	Prime Minister's Employment Generation Programme
PPP	Purchasing Power Parity
R&D	Research & Development
SEZ	Special Economic Zone
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SMEs	Small And Medium Enterprises
Sus	Standard Units
TAF	Tenofovir Alafenamide
UAM	Udyog Aadhaar Memorandum
UAN	Udyog Aadhaar Number
UIP	Universal Immunization Program
UK	United Kingdom
USFDA	US Food and Drug Administration
US\$/ US dollar	United States Dollar, the official currency of United States of America
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WHO	World Health Organisation
WPI	Wholesale Price Index

#### Conventional and General Terms / Abbreviations

<b>Term</b>	<b>Description</b>
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investments Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/ Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
AoA	Articles of Association
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLMs	Book Running Lead Managers
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CC	Cash Credit
CFO	Chief Financial Officer
CS	Company Secretary
CMD	Chairman and Managing Director
CIN	Corporate Identification Number
CIS	Commonwealth of Independent States
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
EPS	Earnings Per Share
FDI	Foreign Direct Investment

<b>Term</b>	<b>Description</b>
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII(s)	Foreign Institutional Investors, as defined under the FII Regulations and registered with the SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
F.Y./FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Rules	The Income Tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
Key Managerial Personnel/KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled " <i>Our Management</i> " beginning on page 192 of this Red Herring Prospectus.
Ltd.	Limited
Mtr	Meter
Mn	Million
MoA	Memorandum of Association
MoU	Memorandum of Understanding

Term	Description
MICR	Magnetic Ink Character Recognition
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, 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
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NI Act	Negotiable Instruments Act, 1881
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 2015, as amended from time to time
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares

Term	Description
/ Takeover Regulations / Takeover Code	and Takeovers) Regulations, 2011
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange(s)	EMERGE Platform of NSE
Sq. mtr	Square Meter
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
u/s	Under Section
UIN	Unique Identification Number
US/ U.S./ USA/ United States	United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole-time Director
w.e.f.	With effect from
YoY	Year over year

Notwithstanding the following: -

- i. In the section titled "*Main Provisions of the Articles of Association*" beginning on page 434 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled "*Financial Statements*" beginning on page 214 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled "*Risk Factors*" beginning on page 20 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled "*Statement of Possible Tax Benefits*" beginning on page 120 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 315 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 214 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1 of each year and ends on March 31 of the next year. All references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 214 of this Red Herring Prospectus.

### CURRENCY OF PRESENTATION

In this Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Managers or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” beginning on page 20 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

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

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 20 and 315 respectively of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Red Herring Prospectus. Neither we, our Directors, Book Running Lead Managers, Underwriters, Selling Shareholders 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, the BRLMs and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. 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 and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

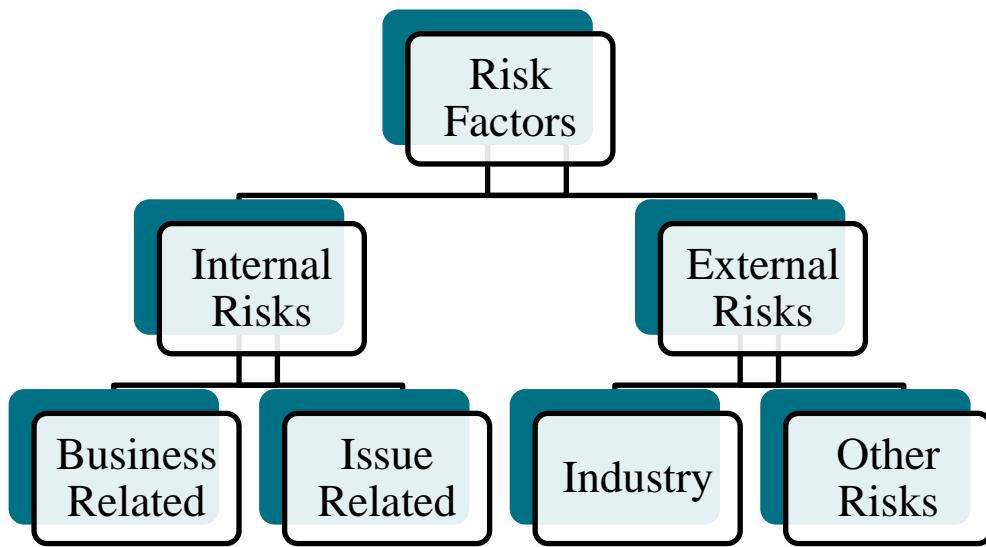
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 155, “Our Industry” beginning on page 123 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 315 of this Red Herring Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- Some events may not be material individually but may be found material collectively;
- Some events may have material impact qualitatively instead of quantitatively;
- Some events may not be material at present but may have material impact in future.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

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



## INTERNAL RISKS

- **Business Related Risks**

1. *Our Company has in past made certain allotments of our equity shares; which has resulted in allotment to more than 49 persons.*

Our Company has issued and allotted equity shares from time to time such that the total number of shareholders is 1,169, as on date of this Red Herring Prospectus. For details on history of our equity share capital, please refer chapter titled “Capital Structure” beginning on page 85 of this Red Herring Prospectus. Our Company believes that the issue and allotment of shares is in adherence to the statutory provisions. However, our Company cannot assure that regulatory authorities will not take a contrary view resulting into an adverse action on our Company. The imposition of any order, penalties, remedial directions and other adverse orders on us and/or our directors may individually, or in the aggregate, have a material adverse effect on our capital structure and our finances and results of operations.

2. *There are certain legal proceedings and claims pending with relevant judicial or statutory authorities against our Company and its Promoters/ Directors which also includes one Criminal Litigation. Further there are 81 trademark opposition proceedings filed by our Company because of similar mark or similar brand name. Further, there are 48 trademark opposition proceedings pending against our company. Any adverse rulings or decisions in such proceedings by such authorities against our Company or its Promoters/Directors may render us liable to liabilities and penalties and may have an adverse material impact on our business and results of operations.*

Our Company and one of the promoters/directors are involved in certain legal and tax related proceedings. Our Promoter, Ketankumar Zota, is involved in a criminal litigation for violation of certain provisions of Drugs and Cosmetics Act, 1940 regarding quality standards of medicines. In the past, we have been issued notices/show cause notice under Companies Act, 1956 and Companies Act, 2013. We have been issued notices under Income Tax Act, 1961 for outstanding demands. Also, our company has been issued notices by National Pharmaceutical Pricing Authority (NPPA) seeking payment of total sum of Rs. 1,40,116/- on account of overcharging of pharmaceutical products and interest calculated on the same. We can not assure you that, we, our promoters or our directors may not face legal proceedings in future; any adverse decision in such legal proceedings may impact our business and results of operations.

For further details in relation to legal proceedings involving our Company, Promoters or Directors, please refer the chapter titled “Outstanding Litigations and Material Developments” on page 328 of this Red Herring Prospectus. Except as mentioned above, there are no legal proceedings by or against our Company, Directors or Promoters. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	IPR Proceedings	Aggregate amount involved (Rs. In Lakhs)
<b>Company</b>								
<b>By the Company</b>	Nil	Nil	Nil	Nil	Nil	Nil	81*	Not Ascertainable
<b>Against the Company</b>	Nil	Nil	2	Nil	Nil	Nil	49*	0.80**
<b>Promoters</b>								
<b>By the Promoter</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Against the Promoter</b>	1***	Nil	1	Nil	Nil	Nil	Nil	Not Ascertainable
<b>Directors other than promoters</b>								
<b>By the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Against the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\*Amount involved is “Not Ascertainable” for the proceedings pertaining to Intellectual Property Rights

\*\*Amount involved pertains to Tax related proceedings against the Company

\*\*\*Criminal Litigation is against Ketankumar Zota who is Promoter as well as Director of our Company and the amount involved is “Not Ascertainable”.

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

We are a pharmaceutical company, engaged in developing, manufacturing and marketing broad range of pharmaceutical products. Currently, our manufacturing facility located at Surat SEZ unit manufactures only export oriented products for the Asian and African markets. For domestic markets, we rely on certain third parties for manufacturing products for our Company. Any decline in the quality of medicines manufactured or delay in delivery of products by such parties, or rise in job work charges may adversely affect our operations. Further there can be no assurance that such parties shall continuously provide their services or would not cater to demand of competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects. Further we are also exposed indirectly to the risks these manufacturers faces.

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

Our business model is currently divided into three parts viz. franchisee marketing, ethical marketing and manufacturing. Of these, we mainly derive revenue from our franchisee marketing operations. In such cases, we sale our products directly to distributors who in turn take forward the supply chain. Our business hence largely depends on the performance of our distributors, who may be responsible for selling our products to end users at domestic as well as international level. Currently, we have around 1,000 distributors at domestic and international market levels. We can give no assurance that the performance of such distributors will meet our required specifications or performance parameters.

Such distributors are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such distributors and in the event that such distributors enter into agreements with competitors, we may not be able to take any course of action.

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

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

Our manufacturing facility is located at Surat SEZ. As a prerequisite condition of operating in SEZ, we can only export our manufactured products. For exporting our products, we need to first get our products registered in the relevant countries, which on an average takes a period of two years. As on date of the date of Red Herring Prospectus, we have obtained 46 registrations for some of our products in 10 countries. Further we have applied for 184 registrations for some of our products over 10 countries. Meanwhile we also take orders from other local dealers who are into export of pharmaceutical products so as to use our facility to the extent possible. Due to access to limited countries, we are not currently able to fully utilize the manufacturing capacity of our facility. During the year ended March 31, 2016 our facility was utilized only to the extent of around 32% for manufacturing of tablets and around 2% for manufacturing of capsules. Though we are expecting a number of approvals during FY 2017-18, enabling us to utilize our capacity in a greater manner, there can be no assurance that we shall be able to obtain and maintain such approvals. Also there can be no assurance that with receipt of approvals, we may be able to develop an overseas market immediately. Any underutilization of our manufacturing facility for a prolonged period, may result in increased fixed costs and adversely affect our result of operations.

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

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

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

Our business faces competition from manufacturers of patented brand products that do not face any significant regulatory approvals or barriers to enter into the generics market for the territories where the brand is already approved. These manufacturers sell generic versions of their products to the market directly or by acquiring or forming strategic alliances with our competitors or by granting them rights to sell. Any failure on our part to gain an advantage could adversely affect our profitability and results of operations.

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

**7. Our Company has not complied with certain statutory provisions and has made delayed filing of required forms with the Registrar of Companies. Such non-compliances/lapses may attract penalties.**

Our Company is required under the Companies Act to make filings with the Registrar of Companies from time to time within the stipulated period. Our Company had on certain occasions made delayed/lapsed in filing of required forms, made incorrect filings. Further, our Company has not complied with certain statutory provisions in the past including but not limited to the following:

- A. Non-compliance with section 383A of the Companies Act, 1956 i.e. our Company has not earlier appointed a Company Secretary. However, as on date of the Red Herring Prospectus we have appointed a Company Secretary
- B. Non Compliance with section 152 of the Companies Act, 2013:- Our Company in past had seven Directors consisting of four Executive Directors and three Non-Executive Independent Directors. Hence as per Section 152 (6) (a) there had to be minimum three directors appointed as liable to retire by rotation, whereas the Company had appointed only 2 directors with specified condition.. As on the date of the RHP the Company stands complied with the relevant section.
- C. Non Compliance with section 196 of the Companies Act, 2013:- Our director, Ketankumar Zota who was also Managing Director of the Company was involved in a criminal litigation initiated under Drugs and Cosmetics Act, 1940 and had been released on personal bond for sum of Rs. 5000 with two sureties each. As per Section 196 (3) (d) of the Companies Act 2013; no company shall appoint a Managing Director who has at any time been convicted by a court of an offence and sentenced for a period of more than six months. He had therefore resigned from the designation and Moxesh Zota had been appointed as our new Managing Director. For further details of the abovementioned criminal proceedings against the director, kindly refer the sub-head "Criminal Litigation" under "Litigations Involving our Promoter – Litigations Against the Promoter on page 320 of this Red Herring Prospectus "

Such delay/non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. However as on date of this Red Herring Prospectus, our Company has taken the corrective measures and is no more incompliant with the above provisions.

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

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

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2016	For the year ended				
		2016	2015	2014	2013	2012
<b>A. Current Assets</b>						
A. Inventories	1903.53	1,633.25	1,762.26	1,252.78	1,097.62	1,017.37
B. Trade Receivables	2162.24	1,577.64	1,169.05	1,067.90	840.35	733.48
C. Cash and Bank Balances	20.78	75.62	16.38	14.29	12.68	12.20
D. Short Term Loans & Advances	18.25	1.63	2.24	8.89	0.66	45.67
E. Other Current Assets	24.16	11.24	44.45	47.33	51.01	36.10
<b>B. Current Liabilities</b>						
A. Trade Payables	1661.24	1,460.45	1,171.25	978.85	716.45	644.63
B. Other Current Liabilities	36.79	39.79	75.61	138.49	180.20	255.08
C. Short Term Provisions	56.68	239.87	239.60	171.16	180.39	147.85
<b>Working Capital (A-B)</b>	<b>2374.25</b>	<b>1,559.26</b>	<b>1,507.91</b>	<b>1,102.69</b>	<b>925.29</b>	<b>797.25</b>

Particulars	For the period ended December 31, 2016	For the year ended				
		2016	2015	2014	2013	2012
<b>Inventories as % of total current assets</b>	46.10%	49.50%	58.85%	52.39%	54.82%	55.15%
<b>Trade receivables as % of total current assets</b>	52.37%	47.82%	39.04%	44.66%	41.97%	39.76%

Our Company intend to continue growing by expanding our distribution channel, expand our market of generic products and grow our manufacturing operations. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "Objects of the Offer" beginning on page 110 of this Red Herring Prospectus.

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

Being a pharmaceutical company, we operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. Further, entry barriers in regulated markets in which we currently operate and seek to expand are very high and have extensive regulations pertaining to research, testing and manufacturing, selling and marketing of pharmaceutical products. In most regulated markets, pharmaceutical products must be registered after being tested for safety, efficacy and environmental impact and the regulations differ from country to country.

Some of our customers operate in such highly regulated markets and liaise / do business with our Company based on our Company being the approved source of supply. As on the date of the RHP, we have filed application for 184 registrations for some of our products over 10 countries. Also, some of our existing registered products need to be renewed after their expiry. There is no assurance that we will be able to obtain the necessary approvals / renewals for all our products, which could adversely impact our ability to sell some of our products in certain markets. Failure of our Company to adapt itself to such regulatory changes, obtain the necessary approvals / renewals for our products, may adversely affect our operations.

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

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

- 11. If we do not maintain and increase the number of our arrangements for the distribution of our products, our business, results of operations and financial condition could be adversely affected.**

In most of the markets in which we have a presence, we generally appoint a local third party entity who distributes our products. We have limited control over the operations and businesses of such local third party entities. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. If the terms offered to such distributors by our competitors are more favourable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. We may be unable to appoint replacement distributors in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition.

Further, our competitors may have exclusive arrangements with distributors and such distributors may not be able to stock and distribute our products, which may limit our ability to expand our distribution network. While we offer our distributors certain incentive schemes to distribute our products, we may not be able to effectively implement them across our distribution network. Any failure on our part to maintain and increase the number of our arrangements for the distribution of our products, our business, results of operations and financial condition could be adversely affected.

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

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

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

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

Pharmaceutical manufacturers are subject to significant regulatory scrutiny. Our manufacturing facility at Surat SEZ must manufacture products in accordance with Good Manufacturing Practices stipulated by WHO, state level food and drug administrations, the DCGI and other regulatory agencies, as applicable.

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

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

We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality problems. Such adverse publicity harms the brand image of our Company and products. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future. We currently carry no products liability insurance with respect to our manufactured products.

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

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

***15. Our Company's ethical marketing business is dependent on team of Medical Representatives (MRs) and sales managers at regional, zonal and national levels.***

Our Company has a marketing team consisting of more than 100 Medical Representatives who operate at ground level and convince different stakeholders like doctors, stockiest, chemist, carrying and forwarding agents and retailors etc. We also have a team of Sales Managers at regional, zonal and national levels to look after marketing and selling of our products. Our marketing team directly approaches doctors, clinics, etc. to distribute our products. Contribution of our Medical Representatives, Sales Managers is crucial to the success of our Company's ethical marketing operations. Our business and results of operations may be adversely affected if we are unable to maintain and develop a continuing relationship with our Medical Representatives or develop relationships with other new ones. The loss of a significant managerial personnel's at regional, zonal and national levels may have a material adverse effect on our business prospects and results of operations.

***16. We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Any failure or delay in obtaining such approvals or renewal of the same in a timely manner may adversely affect our operations.***

We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. In case we fail to obtain or renew the same in the timely manner, the same may adversely affect our business operations.

Further, we are unable to trace the original TAN Certificate issued to the Company. The logo of the Company is yet to be registered under Trademark Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the logo of our company. 13 Patents Registration applications filed by the Company are pending with Controller General of Patents, Designs & Trademarks at various stages. The Company has applied for 3 Copyright Labels under Section 45 of the Copyright Act, 1957 having the names, DIP-SIP, RTFIT and Zota Healthcare Ltd. and the same are pending with relevant authority. Transfer of trademarks from "Zota Pharmaceuticals" and "A to Z Pharmaceuticals" in the name of "Zota Health Care Limited" is yet pending. Renewal Application of Trademark Number 1355982 and 1355983 and Restoration Application of Patent Number 266908 are pending for restoration with the concerned Authorities.

Further, Trademark Registration Status of application for TM 884599 is currently “Opposed” and for TM 722224 and TM 722223 are “Removed”. Further, Status of TM 3302200 and TM 3377442 are “Objected”. Status of TM 1811018 is “Rectification Filed”. Status of TM 1074670 and TM 3302198 is “Advertised Bef Acc” Status of TM 3302199 is “Formalities Chk Fail” No further procedure has been undertaken for the abovementioned Trademark Applications. Further, our Company is yet to apply for Renewal of Certificate of Registration of International Standards Certifications (ISO 9001:2008 Certification).

Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the chapter titled “*Government and Other Statutory Approvals*” on page 335 of this Red Herring Prospectus.

***17. As part of commercialization of our Company's patented products, our Company has applied for patent registration of Company's patented product RTFiT in around 30 African, CIS and Asian countries involving 19 ARIPO Member Countries, 10 EAPO Member Countries and Sri Lanka and the same have been pending with relevant authorities.***

Our Company has applied for registration of Patent for its 19 unique formulations out of which patents have been granted for 6 formulations for 20 years by the Patent Authorities. As part of commercialization of Company's patented products, Company has applied for patent registration of Company's patented product RTFiT in more than 30 African, CIS and Asian Countries involving 19 ARIPO Member Countries, 10 EAPO Member Countries and Sri Lanka and the same have been pending with relevant authorities. Further, the Company has applied for PCT in 142 Countries for 9 formulations. The Patent Cooperation Treaty (PCT) is an international patent law treaty, concluded in 1970 which provides a unified procedure for filing patent applications to protect inventions in each of its contracting states. A patent application filed under the PCT is called an international application or PCT application. In case we fail to get the registrations as mentioned above it may adversely affect our overseas business and results of operations for patented products.

***18. Our Company has entered into a marketing alliance agreement with Astra IDL Limited and failure to comply with the terms and conditions of the same may affect our business and results of operations. Further we cannot assure that we shall be able to renew the said agreement at acceptable terms or at all.***

Our Company has entered into a marketing alliance agreement with Astra IDL Limited for a time period of 36 months effective from January 1, 2016, renewable on mutual consent. Astra IDL Limited possesses the trademark “Astra IDL Limited” and has world wide copyright of “Astra IDL Limited”. Astra IDL Limited has a considerable market for generic drugs which will help us to develop market for our generic products. As per this agreement, our Company will use the brand name Astra IDL Limited for three years for marketing its products. Our Company will be bound by the terms and conditions of the said marketing alliance agreement. Any failure to comply with the terms and conditions of the said marketing alliance agreement may adversely affect our business and results of operations. Also there is no assurance that at the expiry of the said term, we shall be able to renew the said agreement at acceptable terms or at all. In the event on non-renewal, our sales in generic market may be adversely affected.

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

We operate in an industry characterized by extensive patent litigation, including frivolous litigation by competitors to delay grant of patent. Patent litigation can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to continue 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. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

**20. Increasing dependency on a particular market or geography for its sales, a downturn in it could affect market share of the Company thereby impacting results of operations.**

Our products have been created with a view to address mass Indian needs. This national relevance has been serviced through a widespread presence of distributorship. Our sales were derived from across all four corners of India, evident from the following table:

REGION	TOTAL SALES (FY 2015-16) AMOUNT (Rs. IN RS. LAKHS)
Western India	1,210.33
Eastern India	1,547.67
North India	1,296.90
South India	1,184.28
North East	416.39
Central	166.89

Thus, the sales of the Company are widely dispersed throughout the country. Any failure to maintain such dispersion may impact sales, revenues, and consequently, the financial performance of the Company.

**21. Our Company has negative cash flows from its investing activities and Financing activities in the past years, details of which are given below. Sustained negative cash flows could impact our growth and business.**

Our Company had negative cash flows from our investing activities and Financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(Rs in Lakhs)

Particulars	For the period ended December 31, 2016	For The Year Ended				
		2016	2015	2014	2013	2012
Cash Flow from / (used in) Investing Activities	(81.26)	(134.51)	(70.32)	(109.35)	(66.91)	(341.12)
Cash Flow from / (used in) Financing Activities	(28.06)	(214.07)	(355.83)	(188.88)	(208.89)	(170.86)

**22. We operate in overseas markets and may, in future, continue to access markets which are new to us. Our limited experience in facing entry barriers including stringent regulatory requirements in such markets, may adversely affect our business, financial conditions and results of operations.**

As on date of the Red Herring Prospectus, our Company has obtained 46 approvals for supplying some of our products in 10 countries. Further we have applied 184 registrations for some of our products in 10 countries. In the event, we are granted approval in such countries, it will be a different market for us to cater to. We may face initial difficulties in catering to such markets including understanding the market demand, consumer needs, appointment of distributors, marketing, complying with local laws and regulations. etc. due to our limited experience. Further the already existing players and the local players may pose a challenge for us on the grounds of their familiarity in the markets, their consumer reach and experience.

Our failure to successfully enter and further establish our presence in the new overseas markets or develop a market for a new product in the existing overseas markets in future could affect our business and results of operations.

- 23. As a pharmaceutical manufacturing and marketing company, we are dependent on the validity of certain trademarks including our corporate name, brand names and logo, copyrights and formulation patents that we may not be able to protect and/or maintain validity of the same. The current status of many such intellectual property rights applications/ registrations are expired, opposed, abandoned and pending at various stages with the Trademark/Copyright/Patent Authorities or such relevant authority, as applicable, as a result of which we may have lesser recourse to initiate legal proceedings to protect our products and processes. Unless our patents are approved and registered, we cannot restrict other persons from exploiting these processes commercially, which may have material and adverse effect on our business and results from operations. In the event of any failure or delay in securing or renewing the same in the future may impact the Company's rights in using them.**

Our ability to market and sell our products highly depends upon the recognition of our brand names and associated consumer goodwill. Currently we have the following registered intellectual property rights- 1 copyright, 6 patents and 112 trademarks. Further we have applied for some other patents and trademarks, of which some are opposed/abandoned/objection. Further out of the registered trademarks, we have also filed renewal application for two of our expired trademarks. Any failure to obtain or secure or renew registration of the aforesaid trademarks or copyrights before the expiry date, may impact the Company's right to use them in future.

We have not yet made an application to register our logo under the Trade Marks Act, 1999 and do not enjoy the statutory protections accorded to registered trademarks in India for our logo, patents and other brand names whose status is currently pending or otherwise not registered. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our brand names or logo. The abandoned and pending patent applications at various stages may require us to invest significant resources in developing new brands or names, procedural compliance for registering the opposed and abandoned patent applications which could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Company has applied for registration of Patent for its 19 unique formulations out of which patents have been granted for only 6 formulations by the Patent Authorities of which 1 patent has ceased due to failure of making yearly renewals but the Company has filed application for restoration of these patents and paid the required fees for the same. A patented product helps Company to increase overall sales and profitability of the Company and also helps the Company to tackle competition. Failure to secure such registrations of our Intellectual Property may prevent us from prohibiting other persons from exploiting these processes, which may have a material adverse effect on our business prospects. Pending the registration of these patents we may have a lesser recourse to initiate legal proceedings to protect our products and processes.

Over the years, our Company has acquired the entirety of various pharmaceutical businesses along with the registered trademarks of such entities. Our Company has initiated the procedure for transfer of such trademarks in the name of Zota Health Care Limited and the same are pending at various stages. As disclosed in this offer document, many trademarks still appear to be in the name of such entities to various stakeholders and other parties and thus may prove to hinder us in supporting our rightful ownership of such trademarks and brand names.

For details of our Intellectual Property Rights, please refer to the chapters titled “*Our Business*” and “*Government and Other Statutory Approvals*” beginning on page 155 and 335 respectively, of this Red Herring Prospectus. For legal proceedings relating to Intellectual Property Rights, please refer to chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 328 of this Red Herring Prospectus.

**24. We do not own the land on which our manufacturing facility is situated.**

Our Company does not own the land on which our manufacturing facility is located. We have taken the same on lease from a third party. The lease for manufacturing facility is valid till March 26, 2024 and can be extended subject to mutual consent of both the parties. If we are unable to renew the lease or if the lease is not renewed on favourable conditions, it may affect our operations adversely. Also if we do not comply with certain conditions of the lease agreement, it may lead to termination of the lease. In the event of non-renewal or termination of the lease, we may have to vacate our current premises and shift to new premises. There can be no assurance that we shall be able to find a suitable location, or one at present terms and conditions. Any additional burden due to shifting of premises, or increased capital expenditure, may adversely affect our business operations and financial conditions.

For details on properties taken on lease/rent by us please refer to the heading titled “Land & Property” in chapter titled “Our Business” beginning on page 155 of this Red Herring Prospectus.

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

In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012. As a result, a number of drug formulations were identified as essential drugs and were added to India’s National List of Essential Medicines and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals released the revised DPCO 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The Drugs (Price Control Order) 2013 (“hereinafter referred as “The DPCO 2013” governs the price control mechanism for 509 formulations listed in the National List of Essential Medicines.

As per this order, the prices of each of the formulations are determined based on the average of all drugs having an Indian market share of more than 1% by value. The individual drug price notifications for a majority of the products have been released by the National Pharmaceutical Pricing Authority. The DPCO 2013 also regulates the margin that can be offered to the trade channels including the retailers.

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

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

In December 2014, the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers of the Government of India announced details of the UCPMP which became effective across India from January 1, 2015. This code of conduct for marketing practices for the Indian pharmaceutical industry is

expected to be voluntarily adopted by pharmaceutical companies for a period of six months (extended by a further period of two months) after which it would be reviewed by the Government.

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

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

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company and the Selling Shareholders, in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to section “Prominent Notes” under chapter “Capital Structure” beginning on page 85 of this Red Herring Prospectus, respectively.

***28. Reduction or termination of tax incentives and benefits available to our Company’s manufacturing unit located in Special Economic Zone would adversely impact our tax liabilities and affect our business, prospects, results of operations and financial condition.***

Our Company has established its manufacturing facility in Surat SEZ. A SEZ unit in India is entitled to certain tax incentives and benefits, detailed in the chapter titled “Statement of Possible Tax Benefits” beginning on page 120 of this Red Herring Prospectus subject to the fulfilment of the terms and conditions imposed by the relevant authorities. We have benefited from certain tax regulations and incentives that accord favourable treatment to our manufacturing facilities. In the event our Company fails to comply with the said terms and conditions, our Company will not be entitled to such tax incentives and benefits which may have an adverse effect on our results of operations and financial condition. Further, our Company cannot assure you that the Indian Government will not enact laws in the future that would adversely impact the tax incentives and benefits and consequently the tax liabilities and profits of our Company.

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

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

**30. Some of our corporate records including forms filed with the Registrar of Companies are not traceable. We cannot assure you that these forms filings will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.**

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with the Registrar of Companies prior to the year 2006. Due to change in methods of record keeping on account of technological advancement and computerisation, over the years, certain forms filed with ROC prior to the year 2006 like Incorporation Form, Return of Allotment, etc., could not be traced by our Company. Also some of the transfer forms and bank statements of the company prior to 2009 could not be traced. Further online filing of RoC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Our Company has also obtained physical search report for ROC data prior to 2006. As such under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Also our Company may not be in a position to attend to and / or respond appropriately to any legal matter due to lack of lost / destroyed records and to that extent the same could adversely affect our business operations.

**31. The Offer for Sale proceeds will not be available to our Company.**

As on the date of this Red Herring Prospectus, Manukant Zota, Varshaben Zota, Ketankumar Chandulal Zota (HUF) and Manisha Zota have, severally and not jointly, specifically confirmed that they hold 28,94,693 Equity Shares, 8,19,023 Equity Shares, 9,59,040 Equity Shares and 11,79,619 Equity Shares, respectively and that they have consented to offer up to 3,60,000 Equity Shares, 3,60,000 Equity Shares, 4,80,000 Equity Shares and 3,00,000 Equity Shares, respectively, for sale in the Offer for Sale.

For further details, please refer chapter titled “The Offer” on page 72 of this Red Herring Prospectus. The proceeds from the Offer for Sale will be remitted to the Promoter Selling Shareholders and the Investor Selling Shareholders and our Company will not benefit from such proceeds.

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

Our business is dependent on our continuing relationships with our customers. However, our Company generally does not have any long-term contract with any of customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

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

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

our existing technology, our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

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

We export our products and receive sale proceeds in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods and sales in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

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

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

- a. The Pharmacy Act, 1948
- b. The Drugs and Cosmetics Act, 1940 (“DCA”)
- c. The Drugs and Cosmetics Rules, 1945 (“DC Rules”)
- d. The Drugs (Price Control) Order, 2013 (“DPCO 2013”)
- e. Essential Commodities Act, 1955
- f. Food Safety and Standard Act, 2006
- g. Good Manufacturing Practice Guidelines (GMP)
- h. The Environment Protection Act, 1986 (“Environment Protection Act”)
- i. Air (Prevention and Control of Pollution) Act, 1981
- j. Water (Prevention and Control of Pollution) Act, 1974
- k. Hazardous Waste Management & Handling Rules, 2008
- l. Public Liability Insurance Act, 1991

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

**36. We do not have any offshore office or business place to look after our export operations.**

We cater our products to both domestic as well as international markets. We provide significant portion of our products to distributors based in India as well as outside India who cater to the domestic as well as international market at the end user level. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving international healthcare sector in a timely manner. The business operations of our Company are handled from registered office and manufacturing facility both strategically located at Surat. Apart from this, our Company does not have any place of business overseas either in the nature of liaison office or corporate office. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability.

**37. Our cost of production and trading activities is exposed to fluctuations in the prices of materials.**

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

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

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

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

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

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

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

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

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

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

Modernization and technology upgradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed latest technology and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the manufacturing facilities, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations.

**42. *Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.***

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of pharmaceutical products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

**43. *Our Company has unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.***

As on December 2016, our Company has unsecured loans amounting to Rs. 228.09 lakhs from related parties that are repayable on demand to the relevant lender. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer Annexure B - Details of Long Term Borrowings as Restated of chapter titled "Financial Statements" beginning on page 214 of the Red Herring Prospectus.

**44. *Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of major raw materials and marketed goods. Our business may be adversely affected if there is any disruption in the raw material supply or traded goods.***

We do not have any formal agreements with our vendors/suppliers as we operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials/traded goods supply or the non availability of raw materials/traded goods, the production and dispatch schedule may be adversely

affected impacting the sales and profitability of the Company. In the event the prices of such raw materials/traded goods were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials/traded goods, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition. Our management believes that we maintain good relations with our suppliers and we shall also not face any challenge in finding new suppliers if required.

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

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

**46. *We are highly dependent on few suppliers for uninterrupted supply of raw-materials/traded/marketed goods. Any disruption in supply of materials from these suppliers will adversely affect our operations.***

As on date of the Red Herring Prospectus, we have limited suppliers for our materials. However, our Top 10 suppliers contribute significantly to supply of raw materials/traded/marketed goods. Any disruption of supply of materials from these suppliers or procurement of materials at terms not favourable to us can adversely affect our operations and financial cost. The contributions of our top 10 suppliers to our total supplies are as follows:

Particulars	For the year ended March 31, 2016
% of Total Purchase	44.17 %

**47. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the 'Objects of the Offer'. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for the objects of the offer. . We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Offer" beginning on 110 of this Red Herring Prospectus.

**48. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

Our Company has taken secured loan from banks by creating a charge over our movable and immovable properties in respect of loans/facilities availed by us. The total amounts outstanding and payable by us for secured loans were Rs. 413.84 lakhs as on December 31, 2016 . In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on our business, financial

condition and results of operations. For further details please refer to chapter titled “Financial Indebtedness” on page 326 of this Red Herring Prospectus. However, repayment of the abovementioned secured loan is one of the Objects of the Offer, for further details, please refer to chapter titled “Objects of the Offer” beginning on page 110 of this Red Herring Prospectus.

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

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

**50. *Within the parameters as mentioned in the chapter titled “Objects of the Offer” beginning on page 110 of this Red Herring Prospectus, our Company’s management will have flexibility in applying proceeds of the Issue. The fund requirement and deployment mentioned in the Objects of this offer have not been appraised by any bank or financial institution.***

We intend to use fresh Issue Proceeds towards Repayment/prepayment of certain borrowings availed by our Company, working capital requirements, general corporate purposes and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in Financial Year 2017-18 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Offer” beginning on page 110 of this Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “Objects of the Offer” beginning on page 110 of this Red Herring Prospectus, the management will have flexibility in applying the proceeds received by our Company from the Issue. However, the company shall comply with Section 27 of the Companies Act, 2013 before varying the Objects of the Offer. The Audit Committee will monitor the utilisation of the proceeds of this Issue.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 213 of this Red Herring Prospectus.

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

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

- 53. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.**

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

- 54. Our Promoters / Directors have given personal guarantees in relation to certain debt facilities provided to our Company by our lender. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters/ Directors ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations.**

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by a personal guarantee of our Promoters/ Directors. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters/ Directors / Key Managerial Personnel(s) ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations. Further, in an event our Promoters/ Directors/ Members withdraws or terminates his/their guarantee/s or security, the lenders for such facilities may ask for alternate guarantee/s or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee/s or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “Financial Indebtedness” beginning on page 326 of this Red Herring Prospectus. However, repayment of the abovementioned secured loan is one of the Objects of the Offer, for further details, please refer to chapter titled “Objects of the Offer” beginning on page 110 of this Red Herring Prospectus.

- 55. Our Company exports our products to countries including Kenya, Libya, Nigeria etc. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.**

We export all our manufactured products. For the year ended March 31, 2016, our revenue from export operations contributed to 9.34% of the total revenue from operations. Our Company exports its products to many countries namely Kenya, Libya, Nigeria etc. During financial year 2015-16 we have exported in over 12 countries. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our

revenues and results from operations. In the event of change in policies or laws in these regions with respect to Environment, Health and Safety (EHS) norms, quality standards, branding or restrictions on usage of certain products/raw materials, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

**56. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding, dividend entitlement, if any, loan availed by our Company, etc.***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, dividend entitlement, if any; loan availed from them by our Company, etc. For further information, see “Capital Structure” and “Our Management” and “Related Party Transactions” beginning on pages 85, 192 and 212, respectively, of this Red Herring Prospectus.

**57. *The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing processes require substantial amount of power facilities. Currently, Company receives 250HP power from Dakshin Gujarat Vij Company Limited (DGVCL). The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high in view of oil prices and other constraints. Our Company is mainly dependent on State Government for meeting its electricity requirements. Any disruption/non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

**Management Perception:** - Our Company has made contingency arrangement of D. G. Sets of 250 KVA to run our production machines in absence of power facilities.

**58. *The Shortage or non availability of water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our Manufacturing facility situated at Surat SEZ requires substantial amount of water facilities for manufacturing process. Currently, the average monthly requirement of water for our Company's manufacturing facility is 220 units (1 unit = 1 Kilo Liters). Diamond and Gem Development Corporation (developer of Surat SEZ) provides water for our manufacturing facility at SEZ unit. The quantum and nature of water requirements of our industry is significant and requires continuous supply. Our Company is mainly dependent on SEZ Authorities for meeting its water requirements. Any disruption/non availability of water shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

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

After completion of the Issue, our Promoters and members of the Promoter Group will collectively own 64.84% of our equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority

shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**60. *Continued operations of our manufacturing facilities are critical to our business and any disruption in the operation of our manufacturing facilities may have a material adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities are subject to operating risks, such as unavailability of machinery, breakdown, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our machines have limited lives and require periodic cleaning as well as annual over hauling maintenance. In the event of a breakdown or failure of such machinery, replacement parts may not be available and such machinery may have to be sent for repairs or servicing. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects.

**61. *Our operations may be adversely affected in case of industrial accidents at our production facility.***

Usage and handling of machinery or any sharp part of any machinery by labour during production process, handling of chemicals and materials, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further our plants and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

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

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

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

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to "Annexure U Related Party Transactions" in Section "Financial Statements as restated" beginning on page 214 of this Red Herring Prospectus.

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

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

Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing

agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

For further details in this regard, , please refer chapter titled ‘*Financial Indebtedness*’ beginning on page 326 of this Red Herring Prospectus.

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

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

**Issue related risk**

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

The Issue Price of our Equity Shares has been determined by book building method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Offer Price” beginning on page 117 of this Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

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

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**68. *The Equity shares of our Company may trade in Trade to Trade basis.***

The equity shares of our Company may trade in Trade to Trade basis as equity shares of certain shareholders belonging to category Promoter and Promoter group are in the process of dematerialised. In case the same does not happen, the circuit filter will be different for the shares traded under Trade to Trade basis.

**EXTERNAL RISK FACTORS**

**Industry Risks**

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

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

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

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

**Other Risks**

**71. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.**

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to

an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has proposed to introduce certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares. While the said provision has not been notified as on date, it is expected to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a 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 jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**73. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.**

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter "Financial Statements as restated" beginning on page 214, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Excise duty on certain raw materials and components;
- Central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**75. The nationalized goods and services tax (GST) regimes proposed by the Government of India may have material impact on our operations.**

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

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

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

**77. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Pharmaceutical industry contained in the Red Herring Prospectus.***

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and the Pharmaceutical industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page 123 of this Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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

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

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

required from the RBI or any other government agency can be obtained on any particular terms or at all.

**80. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

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

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

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

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

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

#### **PROMINENT NOTES**

1. Public Issue of 46,80,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. [●]/- per Equity Share (including a share premium of Rs. [●]/- per equity share) ("Issue Price") aggregating upto Rs. [●] Lakhs, comprising a fresh issue of 31,80,000 equity shares aggregating upto Rs. [●] by the Company and Offer for Sale of 3,60,000 equity shares by Manukant Zota, 3,60,000 equity shares by Varshaben Zota, 4,80,000 equity shares by Ketankumar Chandulal Zota (HUF) and 3,00,000 equity shares by Manisha Zota (collectively referred to as the "selling shareholders") aggregating 15,00,000 equity shares by the selling shareholders ("Offer for Sale") and together with the Fresh Issue ("the Offer") of which 2,38,000 Equity Shares of face value of Rs. 10/- each will be reserved for subscription by Market Maker to the Offer ("Market Maker Reservation Portion"). The Offer less the Market Maker Reservation Portion i.e. Net Offer of 44,42,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Offer". The Issue and the Net Issue will constitute 26.68% and 25.32%, respectively of the post Issue paid up equity share capital of the Company.

2. Investors may contact the Book Running Lead Managers (BRLMs) or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “General Information” beginning on page 74 of this Red Herring Prospectus.
3. The pre-issue net worth of our Company was Rs. 2549.83 lakhs as at December 31, 2016 and Rs. 2,155.87 Lakhs as at March 31, 2016. The book value of each Equity Share was Rs. 17.75 as at December 31, 2016 and Rs. 15.01 as of March 31, 2016 as per the restated financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 214 of this Red Herring Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

<b>Name of the Promoters</b>	<b>No. of Equity Shares held</b>	<b>Average cost of Acquisition (in Rs.)</b>
Himanshu Zota	22,51,800	0.10
Kamlesh Zota	13,79,074	0.10
Ketankumar Zota	21,15,974	0.04
Manukant Zota	28,94,693	0.08

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “Capital Structure” beginning on page number 85 of this Red Herring Prospectus.

5. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer Annexure “U” “Related Party Transactions” under chapter titled “Financial Statements as restated” beginning on page 214 of this Red Herring Prospectus.
6. Investors may note that in case of over-subscription in the Offer, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “Offer Structure” beginning on page 377 of this Red Herring Prospectus.
7. Except as disclosed in the chapter titled “Capital Structure”, “Our Promoters and Promoter Group”, “Our Management” and “Related Party Transaction” beginning on pages 85, 206, 192 and 212 respectively, of this Red Herring Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled “Capital Structure” beginning on page 85 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “Basis for Offer Price” beginning on page 117 of this Red Herring Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Red Herring Prospectus with the Stock exchange.
12. Our Company was incorporated as “Zota Health Care Private Limited” at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 12, 2000 bearing Registration Number 04-38352 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on July 28, 2008 and the name of our Company was changed to “Zota Health Care Limited” and a Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 18, 2008 was issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U24231GJ2000PLC038352. For further details of change of name and registered office of our Company, please refer to chapter titled ‘Our History and Certain Other Corporate Matters’ beginning on page 187 of this Red Herring Prospectus.
13. As on date of this Red Herring Prospectus, our Company does not have any group Company.

## SECTION III – INTRODUCTION SUMMARY OF OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been reclassified by us for the purposes of presentation. 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 214 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

### INTRODUCTION TO THE INDIAN PHARMACEUTICAL INDUSTRY

Indian pharmaceutical sector accounts for about 2.4 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms and is expected to expand at a Compound Annual Growth Rate (CAGR) of 15.92 per cent to US\$ 55 billion by 2020 from US\$ 20 billion in 2015.

With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. By 2016, India is expected to be the third-largest global generic Active Pharmaceutical Ingredient (API) merchant market. The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world’s leader in Drug Master Files (DMFs) applications with the US.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. Pharmaceuticals Exports Promotion Council (Pharmexcil) expects pharmaceutical exports to reach US\$ 25 billion in 2015.

The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The ‘Pharma Vision 2020’ by the government’s Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

(Source: Indian Pharmaceuticals Industry Analysis -India Brand Equity Foundation- [www.ibeg.org](http://www.ibeg.org))

### INDIAN PHARMACEUTICAL INDUSTRY: OVERVIEW

Indian pharmaceuticals industry is globally respected and is one of the most successful industries in India. It has contributed immensely to Indian’s healthcare outcomes and economy. In addition to helping ensure affordable and accessible medicines in the far reaches of India, it also generates employment, directly or indirectly hiring around 2.5 million people.

### STEADY POSITION IN INFRASTRUCTURE AND CAPABILITIES

Affordability and accessibility of India pharma products has improved in domestic as well as international markets. The industry’s strong initiatives to drive access and awareness across all regions of the country have resulted in around 50 per cent higher drug penetration in rural India. India continues to be the primary supplier of essential medications for numerous disease areas worldwide, helping save millions of lives every year.

## **STRONG POSITION IN INFRASTRUCTURE AND CAPABILITIES**

India's strong capabilities across the value chain are critical for successfully serving global pharmaceutical markets. Here, too, India is well positioned:

- It has strong capabilities in generics R&D. For the last five years, India bagged around 1/3rd of the total ANDA filings and approximately 45 per cent of DMFs filed with the USFDA.
- India has the largest number of FDA-approved pharmaceutical manufacturing plants outside the USA located in India.
- India is also known for innovation, with 60+ biosimilars<sup>5</sup> approved for marketing (30 active substances) and an additional 30+ in the pipeline. In addition two new medical entities (NMEs) have been developed and launched till date.
- India ranks among the preferred clinical-trial destinations in the world. Although there has been a decline in the number of clinical trials approved by Drug Controller General of India (DCGI) in recent years, several initiatives to bring back the growth are underway.
- Multiple mergers and acquisitions in India have seen Indian companies acquire multi-national corporations (MNCs) to get a firm foothold in global markets.
- Production costs for commodity generics continue to be low in India—the country ranks lowest in conversion costs, 50 per cent lower than the US or UK and other developed countries

(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry [www.ficci.in](http://www.ficci.in))

## **APPROACH TO INDUSTRY ANALYSIS**

Analysis of Pharmaceutical Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Pharmaceutical Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Pharmaceutical Industry.

Manufacturing Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing Sector is ‘Pharmaceutical Industry’, which in turn encompasses various segments such as ‘Manufacturing and Marketing of Pharmaceutical Medicines and Drugs’.

Thus, the micro analysis of segments such as Manufacturing and Marketing of Pharmaceutical Medicines and Drugs should be analysed in the light of ‘Pharmaceutical Industry’ at large. An appropriate view on Manufacturing and Marketing of Pharmaceutical Medicines and Drugs Segment, then, calls for the overall economic outlook, performance and expectations of Manufacturing Sector, position of Pharmaceutical Industry and micro analysis thereof.

## **GLOBAL ECONOMIC OVERVIEW**

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected

growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### **GLOBAL OUTLOOK FOR GROWTH**

Overall global economic activity remained subdued in 2015, as growth in emerging market and developing economies (EMDE) declined for the fifth consecutive year and recovery in advanced economies was modest. This is also attributable to the changing composition of the global economy and relative point contributions to global growth. The fall in the contribution of the EMDEs is not being made good by the advanced economies. A recent feature is that the Chinese economy is gradually slowing down and is transitioning from investment demand to consumption demand and from manufacturing to services. The concern over the spill over's of subdued global growth to other economies through trade channels and weaker commodity prices is manifest in diminishing confidence and increasing volatility in financial markets. In addition, a dual monetary policy-a gradual tightening in monetary policy in the US in the backdrop of its resilient recovery and easy monetary policy in several other major advanced economies has led to continued uncertainties and poses challenges for the year ahead. In the case of EMDEs, growth remained subdued at 4 per cent in 2015, but is projected to increase to 4.3 per cent in 2016 and 4.7 per cent in 2017. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Assessments indicate that mixed inflation developments in EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The 19 January WEO Update also indicated that India and the rest of emerging Asia are bright spots, albeit with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. The IMF's growth forecast for India is 7.5 per cent in 2016 and 2017 and this surpasses the projection of 6.3 per cent and 6.0 per cent respectively for China. The level of global economic activity has a significant and direct bearing on the growth prospects of the emerging economies through trade channels. As per the Update, world trade volume growth projections have been placed at 3.4 per cent and 4.1 per cent respectively for 2016 and 2017 lower by 0.7 percentage points to 0.5 percentage point respectively from WEO, October 2015. The World Bank's Report on Global Economic Prospects (January 2016) also estimated that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the following two years. Compared to other major developing countries, the report maintained that India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## THE INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. A sense of this turnaround is illustrated by a cross-country comparison. In last year's Survey, we had constructed an overall index of macroeconomic vulnerability, which adds a country's fiscal deficit, current account deficit, and inflation. This index showed that in 2012 India was the most vulnerable of the major emerging market countries. Subsequently, India has made the most dramatic strides in reducing its macro-vulnerability. Since 2013, its index has improved by 5.3 percentage points compared with 0.7 percentage points for China, 0.4 percentage points for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil.

If macro-economic stability is one key element of assessing a country's attractiveness to investors, its growth rate is another. In last year's Survey we had constructed a simple Rational Investor Ratings Index (RIRI) which combined two elements, growth serving as a gauge for rewards and the macro-economic vulnerability index proxying for risks. The RIRI; higher levels indicate better performance. As can be seen, India performs well not only in terms of the change of the index but also in terms of the level, which compares favourably to its peers in the BBB investment grade and even its "better" in the A grade1. As an investment proposition, India stands out internationally.

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 73/4 percent.
- Inflation remains under control The CPI-New Series inflation has fluctuated around 5 1/2 percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$ 351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$ 21.9 billion in April-December 2014-15 to US\$ 27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected

excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).

- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## DEVELOPMENTS IN THE CAPITAL MARKET

### PRIMARY MARKET

In 2015-16 (April-December), resource mobilization through the public and right issues has surged rapidly as compared to the last financial year. During 2015-16 (April- December), 71 companies have accessed the capital market and raised Rs.51,311 crore, compared to Rs.11,581 crore raised through 61 issues during the corresponding period of 2014-15.

The small and medium enterprises (SME) platform of the stock exchange is intended for small and medium sized companies with high growth potential, whose post issue paid-up capital is less than or equal to Rs. 25 crore. During 2015-16 (April- December), 32 companies were listed on the SME platform, raising a total amount of Rs.278 crore as compared to Rs.229 crore raised through 28 issues in the corresponding period of 2014-15.

Resources mobilized by mutual funds during April-December 2015 also increased substantially to Rs.1,61,696 crore from Rs.87,942crore mobilized during the same period of the previous year.

### SECONDARY MARKET

During 2015-16 so far, the Indian securities market has remained subdued. The Bombay Stock Exchange (BSE) Sensex declined by 8.5 per cent (upto 5 January 2016) over end-March 2015, mainly on account of turmoil in global equity markets in August 2015 following slowdown in China and its currency devaluation and slump in stocks. On 4 January 2016, weak Chinese manufacturing data again led to a global sell-off which caused the BSE Sensex also to decline by 538 points (2.1per cent).The downward trend in the Indian stock market was also guided by mixed corporate earnings for Q1 and Q2 of 2015- 16, FPIs' concern over minimum alternative tax (MAT), weakening of the rupee against the US dollar, investor concern over delay in passage of the Goods and Services Tax(GST) Bill, uncertainty over interest rate hike by US Fed and selling by FPIs. However, the Indian equity market has been relatively resilient during this period compared to the other major EMEs. The Indian stock market withstood the US Fed increase in interest rates in December 2015.

(Source: *Economic Survey 2015-16-Volume II*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth

rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

(Source: *Economic Survey 2015-16-Volume II*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## GLOBAL PHARMACEUTICAL INDUSTRY

The IMS Institute for Healthcare Informatics predicts that the pharmaceutical market will reach nearly USD 1,200 billion by 2017, an increase of nearly USD 235 billion from the USD 965 billion recorded in 2012. This growth is coming mainly from market expansion in the leading emerging countries and from generics. Global brand spending is forecast to increase from USD 589 billion in 2012 to USD 610–624 billion in 2017. Global generic spending is expected to increase from USD 261 billion to USD 420–430 billion by 2017, of which USD 224–244 billion of the increase is from low-cost generics in emerging markets.

The US share of global spending will decline from 34% in 2012 to 31% in 2017, while the European share of spending will decline from 15% to 13%. Meanwhile, the leading emerging countries will account for 33% of global spending in 2017 from 31% in 2012.

(Source: *The Pharmaceutical Industry and Global Health- International Federation of Pharmaceutical Manufacturers & Associations* [www.ifpma.org](http://www.ifpma.org))

## GLOBAL PHARMACEUTICAL INDUSTRY

### Medicine use in 2020

Medicines in 2020 will include a vast array of treatments ranging from those that provide symptom relief available without a prescription to lifesaving genetically personalized therapies unique to a single patient. Total use of medicines in 2020 will reach 4.5 trillion doses, up 24% from 2015 levels. Over half of the world's population will consume more than 1 dose per person per day of medicines, up from one-third in 2005 and driven by India, China, Brazil and Indonesia. Success in closing the gap in per capita use of medicines differs by country; increased usage is primarily in emerging markets, while developed markets' volumes remain more stable. Developed markets will continue to use more original branded and specialty

medicines per capita while pharmerging markets will use more non-original brands, generics and over the counter products. Furthermore, the adoption of newer medicines will remain higher in developed markets than in pharmerging markets.

### **Medicine Use Comparisons**

Most of the global increase in the volumes of medicines used in the 5 years to 2020 will be in India, China, Brazil, Indonesia, and Africa. The largest increases align to areas with the most development gains and often in areas with the lowest usage previously.

China and India will have each completed ten years of healthcare access expansion by 2020, with nearly all of the Chinese population having basic medical insurance. Most of the rest of the Asia-Pacific increased usage will come from Indonesia. Asia Pacific, with 1.3 billion people (excluding China, India and Japan) will increase usage substantially, with half of the increase from Indonesia's shift to 3.26 standard units (SUs) per person per day in 2020.

### **Rising per capita use in pharmerging markets**

As the world's population tops 7.6 billion in 2020, per capita usage of medicine will reach about 1.6 Sus per person per day. Most developed countries have usage above 2 SUs per person per day and much of the increased usage in 2020 is driven by China, India, Brazil and Indonesia where substantial increases will have been made in average medicine volume usage.

These four countries with a combined population of 3.23 billion in 2020 - up from 3.11 billion in 2015 - will account for nearly half of the increased volume in medicine usage globally from 2015-2020. India's level of medicine usage is a reflection of both a very basic healthcare infrastructure and the ease of access for medicines where even the most complex medicines can be obtained at a corner pharmacy if the patient can afford them.

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### **Analysis by types of medicines**

The types of medicines used vary substantially between developed and pharmerging countries. The largest volume of medicines will be generics and non-original branded products, primarily in pharmerging markets, often at lower costs than original brands and contributing significantly to increased access to medicines in these countries. The wider use of original branded medicines in developed markets reflects both earlier adoption of these medicines and historic differences in the application of intellectual property laws. By 2020, 18% of traditional product volumes in developed markets will be for original brands, compared to 8% in pharmerging markets. In general, specialty medicines are much more rarely used, but are used proportionately more in developed markets. Developed markets are also more likely to use original branded specialty products capturing 40% of specialty volumes in developed markets compared to 15% in pharmerging markets. Pharmerging countries will continue to be much more likely to use non-original branded products or over the counter medicines than brands or unbranded products. Newer medicines often take decades to be widely used, even in developed markets. By 2020, the vast majority of traditional medicines consumed will have been available for more than 10 years, and only 1.9% of volumes in developed markets will be for recently launched medicines, compared to 0.1% in pharmerging countries. Specialty medicines are adopted more quickly in developed markets and 3.3% of specialty volumes will be less than ten years old in 2020, compared to only 0.1% in pharmerging markets.

## PHARMERGING MARKETS SPENDING ON MEDICINES

Growth in spending on medicines in pharmerging markets of \$125 billion to 2020 is driven primarily by wider use of medicines. The per capita increases in volume and spending reflect the strong commitment to wider access to healthcare from government and expanded private insurance markets that many pharmerging countries are experiencing.

The difference in per capita spending growth and overall spending growth over the next five years is indicative of population growth, while the overall high level of per capita spending growth reflects both access expansions and the rising mix of higher cost medicines being used in pharmerging markets.

Saudi Arabia is notable in that it will spend \$300 per person in 2020, with nearly the same volume per person as average developed markets. Many of the countries with the highest per capita spending growth to 2020 have the lowest spend per capita, suggesting that most people in those countries have substantially worse healthcare than in higher spend pharmerging or developed markets and that the increases will go some way but ultimately still fail to address global healthcare inequities.

(Source: *IMS Institute for Healthcare Informatics- Report on Global Medicines Use in 2020 - Outlook and Implications- www.imshealth.com*)

## **INDIAN PHARMACEUTICAL INDUSTRY**

### Introduction

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. Branded generics dominate the pharmaceuticals market, constituting nearly 70 to 80 per cent of the market. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

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

The UN backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine Tenofovir Alafenamide (TAF) for 112 developing countries.

### Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size\*. India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 7.55 per cent to US\$ 12.54 billion in 2015, according to data from the Ministry of Commerce and Industry.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014/15 an increase of 84 per cent as per analysis by USFDA.

India's biotechnology industry comprising biopharmaceuticals, bioservices, bioagriculture, bioindustry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest subsector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US\$ 1.9 billion).

### Investments

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

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 13.85 billion between April 2000 and March 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the major investments in the Indian pharmaceutical sector are as follows:

- International Finance Corporation (IFC), the investment arm of the World Bank, plans to invest upto US\$ 75 million in Glenmark, which is looking to raise around US\$ 200 million for expansion and the launch of several new products in India and other emerging markets over the next three years.
- Cipla Limited, one of India's leading pharmaceutical firms, plans to invest around Rs 600 crore (US\$ 88.94 million) to set up a biosimilar manufacturing facility in South Africa for making affordable cancer drugs and growing its presence in the market.
- RusanPharma, a firm which specialises in de-addiction and pain management products, plans to invest Rs 100 crore (US\$ 14.82 million) in a Research and Development (R&D) centre and a manufacturing unit in Kandla, located in Kutch District in Gujarat.
- Pink Blue Supply Solutions Pvt. Ltd, a clinical supplies provider, has raised Rs 1.5 crore (US\$ 0.22 million) in a seed round of funding from TermSheet.io, a transaction-focused service provider for start-ups and investors.
- The Medicines Patent Pool (MPP) has signed a licencing agreement with six Indian drug makers for the generic manufacturing of four antiretrovirals (ARV) and hepatitis C direct-acting antiviral drug Daclatasvir.
- Dr Reddy's Laboratories, one of the major pharmaceutical companies of India, has entered into a strategic collaboration agreement with Turkey-based TR-Pharm, to register and subsequently commercialise three biosimilar products in Turkey.
- Lupin has completed the acquisition of US-based GAVIS Pharmaceuticals in a deal worth US\$ 880 million, which is expected to enhance its product pipeline in dermatology, controlled substances and high-value speciality products.
- Cipla Ltd, one of the major pharmaceutical and biotechnology companies in India, has acquired two US-based generic drug makers, InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US\$ 550 million, which is expected to strengthen Cipla's US business.
- Emcure Pharmaceuticals has acquired Canada's International Pharmaceutical Generics Ltd and its marketing arm Marcan Pharmaceuticals in order to boost its global expansion drive.
- Cipla announced the acquisition of two US-based companies, InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US\$550 million.
- Glaxosmithkline Pharmaceuticals has started work on its largest greenfield tablet manufacturing facility in Vemgal in Kolar district, Karnataka, with an estimated investment of Rs1,000 crore (US\$ 148.24 million).
- Lupin has acquired two US based pharmaceutical firms, Gavis Pharmaceuticals LLC and Novel Laboratories Inc, in a deal worth at US\$ 880 million.
- Several online pharmacy retailers like PharmEasy, Netmeds, Orbimed, are attracting investments from several investors, due to double digit growth in the Rs 97,000 crore ( US\$ 14.38 billion) Indian pharmacy market.
- Stelis Biopharma announced the breakthrough construction of its customised, multi-product, biopharmaceutical manufacturing facility at Bio-Xcell Biotechnology Park in Nusajaya, Johor, Malaysia's park and ecosystem for industrial and healthcare biotechnology at a total project investment amount of US\$ 60 million.
- Strides Arcolab entered into a licensing agreement with US-based Gilead Sciences Inc to manufacture and distribute the latter's cost-efficient Tenofovir Alafenamide (TAF) product to treat HIV patients in developing countries. The licence to manufacture Gilead's low-cost drug extends to 112 countries.

- CDC, the UK's development finance institution, invested US\$ 48 million in Narayana Hrudayalaya hospitals, a multi-speciality healthcare provider, with an aim to expand affordable treatment in eastern, central and western India.
- Cadila Healthcare Ltd announced the launch of a biosimilar for Adalimumab - for rheumatoid arthritis and other auto immune disorders. The drug will be marketed under the brand name Exemptia at one-fifth of the price for the branded version-Humira. Cadila's biosimilar is the first in class and an exact replica of the original in terms of safety, purity and potency of the product, claims the company.
- Torrent Pharmaceuticals entered into an exclusive licensing agreement with Reliance Life Sciences for marketing three biosimilars in India — Rituximab, Adalimumab and Cetuximab.
- Indian Immunologicals Ltd plans to set up a new vaccine manufacturing facility in Pondicherry with an investment of Rs 300 crore (US\$ 44.47 million).
- SRF Ltd has acquired Global DuPont Dymel, the pharmaceutical propellant business of DuPont, for US\$ 20 million.
- Intas Pharmaceuticals is the first global company to launch a biosimilar version of Lucentis, the world's largest selling drug for treatment of degenerative eye condition called Razumab.

### **Government Initiatives**

The Addendum 2015 of the Indian Pharmacopoeia (IP) 2014, published by the Indian Pharmacopoeia Commission (IPC) on behalf of the Ministry of Health & Family Welfare, is expected to play a significant role in enhancing the quality of medicines that would in turn promote public health and accelerate the growth and development of pharmaceutical sector.

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

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

- Government of India's decision to increase Foreign Direct Investment (FDI) in existing pharmaceuticals companies to 74 per cent is expected to boost Mergers and Acquisitions (M&As) and Private Equity (PE) investments in the pharmaceuticals sector in the country.
- Indian Pharmaceutical Association (IPA), the professional association of pharmaceutical companies in India, plans to prepare data integrity guidelines which will help to measure and benchmark the quality of Indian companies with global peers.
- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.
- The Department of Pharmaceuticals has set up an inter-ministerial co-ordination committee, which would periodically review, coordinate and facilitate the resolution of the issues and constraints faced by the Indian pharmaceutical companies.
- The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs 1,000 crore (US\$ 148 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.
- Indian and global companies have expressed 175 investment intentions worth Rs 1,000 crore (US\$ 148 million) in the pharmaceutical sector of Gujarat. The memorandums of understanding (MoUs) would be signed during the Vibrant Gujarat Summit.
- Telangana has proposed to set up India's largest integrated pharmaceutical city spread over 11,000 acres near Hyderabad, complete with effluent treatment plants and a township for employees, in a bid to attract investment of Rs 30,000 crore (US\$ 4.48 billion) in phases. Hyderabad, which is known as the bulk drug capital of India, accounts for nearly a fifth of India's exports of drugs, which stood at Rs 95,000 crore (US\$ 14.08 billion) in 2014-15.
- At the launch of Cluster Development Programme of pharmaceutical sector, Mr Ananth Kumar, Minister of Fertiliser and Chemicals, announced that six pharmaceutical parks will be approved and

established this year which will have sufficient infrastructure and facilities for testing and treatment of drugs and also for imparting training to industry professionals.

The Indian government has taken various steps to ease administrative and regulatory procedures for pharma companies. These are in various stages of implementation and include:

- 100 per cent Foreign Direct Investment (FDI) is allowed under the automatic route for greenfield projects. For brownfield project investments, up to 100 per cent FDI is permitted under the government route on a case-to-case basis
- Under the National Institute of Pharmaceutical Education & Research (Amendment) Act, 2007, the Government has taken steps to nurture and promote pharmaceutical education & research at post graduate level. National Institute of Pharmaceutical Education and Research (NIPER) at Mohali is a premier institute in the field of Pharmaceuticals with fully equipped facilities. Further, six new National Institutes of Pharmaceutical Education and Research (NIPER) were opened in 2007. Recently, three new NIPERs have been proposed in the states of Maharashtra, Rajasthan and Chattisgarh
- Mega parks and clusters to provide shared services and infrastructure reducing costs; supported by area-based incentives from the government. An exclusive pharma zone is coming up on about 11,000 acres near Rangareddy district of Telangana with an in-house pharmaceutical university and research facility. Over 2000 acres for this pharma city has already been acquired. The State Government has further allotted 400 acres on the outskirts of Hyderabad for an advanced ‘Smart Health City’
- The government has announced elimination of the need to repeat pre-clinical or toxicological studies on animals for new drugs already approved outside India for importing or manufacturing them in the country unless some specific concerns are raised
- The government provides financial benefits for R&D efforts. A 100 per cent deduction is available for qualifying expenditures paid out or expended in scientific research and a weighted deduction of 200 per cent is available for scientific research on in-house R&D expenditure. There is also a provision allowing 125 per cent deduction on amounts paid to approve third-party R&D contractors. Duty free import of Pharmaceuticals reference standards is allowed
- A number of export benefits under Focus product scheme, Special focus product scheme, Focus market scheme and Export promotion capital goods scheme have been envisaged
- The government has set up an effective control system to monitor the quality of pharmaceuticals at all the levels in India through various agencies/ bodies. Efforts are underway to digitalize the procedures. Some of them include online clinical trial application and monitoring system, software system for monitoring and disposal of applications for import licence for test and analysis, etc.

(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry [www.ficci.in](http://www.ficci.in))

### **Road Ahead**

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

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

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

(Exchange Rate Used: INR 1 = US\$ 0.0148 as on July 11, 2016)

**References:** Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council.

(Source: *Pharmaceutical Industry in India- India Brand Equity Foundation*, [www.ibef.org](http://www.ibef.org))

## MAKING IT HAPPEN: IMPERATIVES TO ACHIEVE MAKE IN INDIA AMBITION

Indian pharmaceutical industry can continue to contribute in a big way to the economy and healthcare outcomes, both in India and abroad. Industry could ramp up its trade balance contribution by five times to create a trade surplus of about USD 55 to 60 billion for the country by 203019. The industry could also continue to drive significant job creation and generate nearly 4 million additional jobs over the next 15 years. This will require a set of concerted actions from all stakeholders including the industry, industry associations, policy making government bodies as well as regulatory authorities.

(Source: *Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry* [www.ficci.in](http://www.ficci.in))

## GROWING PER CAPITA SALES OF PHARMACEUTICALS

- Growing per capita sales of pharmaceuticals in India offers ample opportunities for players in this market.
- Per capita sales of pharmaceuticals are expected to expand at a CAGR of 19.4 per cent to USD33 by 2016.
- Economic prosperity would improve affordability for generic drugs in the market and improve per capita sales of pharmaceuticals in India.

(Source: *Pharmaceutical Industry in India by India Brand Equity Foundation* [www.ibef.org](http://www.ibef.org))

## PHARMA EXPORT TO CONTINUE WITNESSING HIGH GROWTH

- Indian pharma companies are capitalising on export Trade data of Indian pharma sector (USD billion) opportunities in regulated and semi-regulated markets.
- Department of Pharmaceuticals targets to export USD18.02 Billion worth of pharmaceuticals in 2016. Indian drugs are exported to more than 200 countries in the world, with the US as the key market.
- India is the world's largest provider of generic medicines; the country's generic drugs account for 20 per cent of global generic drug exports (in terms of volumes).
- In terms of value, exports of pharmaceutical products increased at a CAGR of 14 per cent during FY 12–15.
- US is the largest export market for India During FY 12-14, imports of pharmaceutical products rose at a CAGR of 13.04 per cent to USD 4.6 billion.

(Source: *Pharmaceutical Industry in India - India Brand Equity Foundation*, [www.ibef.org](http://www.ibef.org))

## ADVANTAGE IN INDIA

### Cost Efficiency

- Low cost of production and R&D boosts efficiency of Indian pharma companies.
- India's cost of production is approximately 60 per cent lower than that of the US and almost half of that of Europe.
- Due to lower cost of treatment, India is emerging as a leading destination for medical tourism.

### Economic Driver

- Economic prosperity to improve drug affordability.
- Increasing penetration of health insurance.
- With increasing penetration of chemists, especially in rural India, OTC drugs will be readily available.

### Diversified Portfolio

- Accounts for over 10 per cent of the global pharmaceutical production.
- Over 60,000 generic brands across 60 therapeutic categories. Manufactures more than 500 different APIs.
- 49 per cent of all drug master filings from India is registered in the USA.

### Policy Support

- Government unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture.
- Reduced approval time for new facilities to boost investments.
- In this sector, 100 per cent FDI is allowed under automatic route.

(Source: Pharmaceutical Industry in India - India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

## DEMAND DRIVERS OF INDIA PHARMA SECTOR

### Accessibility

- Over USD200 billion to be spent on medical infrastructure in the next decade.
- New business models expected to penetrate tier-2 and tier-3 cities.
- Over 160,000 hospital beds expected to be added each year in the next decade.
- India's generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally.

### Acceptability

- Rising levels of education to increase acceptability of pharmaceuticals.
- Patients to show greater propensity to self-medicate, boosting the OTC market.
- Acceptance of biologics and preventive medicines to rise.
- A skilled workforce as well as high managerial and technical competence.
- Surge in medical tourism due to increased patient inflow from other countries.

### Affordability

- Rising income could drive 73 million households to the middle class over the next 10 years.
- Over 650 million people expected to be covered by health insurance by 2020.

- Government-sponsored programmes set to provide health benefits to over 380 million BPL people by 2017.
- By 2017, the government plans to provide free generic medicines to half the population at an estimated cost of USD5.4 billion.

### **Epidemiological factors**

- Patient pool expected to increase over 20 per cent in the next 10 years, mainly due to rise in population.
- New diseases and lifestyle changes to boost demand.
- Increasing prevalence of lifestyle diseases.

(Source: *Pharmaceutical Industry in India* by India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **CHALLENGES**

The prominent challenges that the industry faces are:

- **Growing dependence on external markets for raw materials:** The sector continues to rely on imports of key starting materials, intermediates and API; with the share of dependence increasing over time.
- **Challenged cost-competitiveness in traditional generic formulations:** India's ability to sustain its cost-competitiveness in traditional generic formulations is being challenged for many reasons - high levels of commoditization, increasing customer consolidation, pricing regulations, increasing global competition and productivity boosts from players in developed markets to match India's conversion costs.
- **Competition in complex generics and new technology:** While India has made substantial headway in the last few years, it is still behind in operational maturity in this space, particularly as compared to China and South Korea.
- **Quality issues affecting supply reliability:** In the last 2 to 3 years, Indian pharmaceutical companies (like their global peers) have faced increasing number of quality-related issues especially for the US market. These challenges have been driven by continuously evolving regulator expectations and risk-based inspection planning model.
- **Strengthening execution of government policies:** While a lot of good policies are in pipeline, if not executed on time would lead to high opportunity cost. There exists opportunity to strengthen dialog between government and industry for feedback on current policies. It is important for the government and industry to work together and resolve these issues in a timely manner.

(Source: *Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine* By Federation of Indian Chambers of Commerce and Industry [www.ficci.in](http://www.ficci.in))

## **GLOBAL MANUFACTURING SECTOR**

World manufacturing growth is expected to remain low in 2016 due to the general uncertainty in the global economy. Industrialized economies from North America to East Asia are stuck in a low growth trap while the manufacturing growth of a number of emerging industrial economies is also decreasing. Uncertainty caused by Brexit has affected the growth prospects of much of the European economies while the growth performance of manufacturing in the United States has remained lower than expected so far. Among the developing and emerging industrial economies, China's growth continued to drift while manufacturing growth recorded a serious downturn in Latin America.

The pace of growth in both country groups exhibited similar trends, but the level of growth has been consistently higher in developing and emerging industrial economies than in industrialized countries. Manufacturing output in developing and emerging industrial economies slightly increased compared to previous quarters by 4.9 per cent in the second quarter of 2016. Despite this improvement, the risk of

another slowdown looms over developing economies as long as economic and political instability persist in industrialized countries. Growth performance varied considerably between the regions - Asian economies persevered, while manufacturing output in Latin America dropped yet increased in Africa compared to the second quarter of 2015. Manufacturing output in Africa rose on account of a significant strengthening of South African manufacturing in the second quarter of 2016. On the contrary, a sharp plunge in production was observed in Brazil as a result of the economic recession which dragged down the overall manufacturing performance of Latin America in the second quarter of 2016.

(Source: *World Manufacturing Production- Statistics for Quarter II, 2016; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org)*)

## **PHARMACEUTICAL MANUFACTURING SECTOR: AREAS OF OPPORTUNITY**

India is already an attractive destination for the manufacturing of pharmaceuticals owing to its strong capabilities across the value chain. Going forward, pharmaceuticals manufacturing in India has multiple opportunities for growth across formulations, bulk drugs, indigenous vaccines manufacturing and contract manufacturing.

### **FORMULATIONS MANUFACTURING**

Indian pharmaceutical industry can aspire to deepen its presence in global markets, e.g., In the US, by expanding its value share from the current 10 per cent to around 25 per cent by 2030. India's pharma sector could also build a stronger presence in key emerging markets to create a platform for sustained growth. To drive this growth, pharma manufacturers can continue to expand their existing facilities and also diversify to manufacture new drug forms at lower costs. Key opportunities include:

- Upgrading and expanding current manufacturing facilities:**

Most companies are over-dependent on one or two manufacturing units to cater to key growth markets. This results in high complexity at those sites, high utilisation levels, and increased exposure to operating risk (quality, service levels, employee workload, etc.). Companies should continue to invest in expanding their manufacturing footprint and build adequate redundancy to mitigate supply chain risks and build capacity for future growth

- Scaling capabilities and infrastructure for manufacturing new drug forms:**

Several companies are investing in building manufacturing capabilities in biosimilars. There also seems to be a shift in strategy toward more complex product. Pharmaceutical manufacturers should focus on developing scale and capabilities in these areas to build a strong cost and capacity position vis-à-vis global competitors.

- Low-cost manufacturing of branded drugs and repurposing of formulations:**

Several Indian generics companies have launched efforts to develop incremental innovation (505b2) drugs and NMEs. These programs will be the growth vehicles for Indian pharma companies particularly in the high value branded pharmaceutical markets. Building the backend for these drugs will also require Indian pharmaceuticals companies to upgrade their workforce and manufacturing capabilities. In due course, India could also attract global pharmaceutical companies to shift manufacturing of their high value branded drugs to India

With years of experience and expertise behind them, Indian manufacturers can easily take lead in formulations repurposing. The area offers unique advantages of shorter cycle times, lower development costs and higher success rates. There is potential to partner as development or manufacturing partner to global pharmaceutical companies.

## **BULK DRUG MANUFACTURING**

Bulk drug exports from India continue to be strong and are driving growth. They are estimated to have grown from USD 3.7 billion in 2008–09 to an estimated USD 3.9 billion<sup>10</sup> in 2013-14. The bulk drug exports have shifted in favour of regulated markets (49 per cent share in 2013-14<sup>11</sup>) and is expected to continue in this direction. However, there has been an increasing competition from China which has led to a stagnated growth in this space.

For the next horizon of growth, the industry should focus on self-sufficiency in API for the domestic market. India imported APIs and other raw materials worth USD 3.9 billion in 2014-15 which is 5 times the imports in 2004-05 (USD 800 million)<sup>12</sup>. With almost 80 per cent of its bulk drugs imports coming from China, there is an urgent need to bring about self-sufficiency in API sourcing.

## **INDIGENOUS VACCINES MANUFACTURING**

Indian vaccine manufacturers have emerged as significant players in the global market. India has been a major supplier of basic Expanded Programme on Immunization (EPI) vaccines to the UNICEF. The industry is now able to produce new and more complex vaccines such as the meningitis, Haemophilus influenza Type B, pneumococcal conjugate vaccines, rotavirus vaccines and influenza A (H1N1) vaccines.

India has scope and demand for indigenous vaccines, both existing and new players can capture this opportunity in vaccines manufacturing. Of the 31 vaccines listed by the World Health Organisation, India manufactures 20, which means there is scope for more players to enter the manufacturing space<sup>13</sup>. Introduction of four new vaccines in the Universal Immunization Program (UIP) in 2014 is further expected to promote investment and R&D in vaccines in India.

## **CONTRACT MANUFACTURING**

The global contract manufacturing services market is estimated at USD 58 billion in 2014, with the Indian sector valued at around USD 5.3 billion<sup>14</sup>. This indicates a vast growth opportunity. The Indian contract manufacturing services sector (CRAMS) has been growing and is further projected to grow at a rate three times higher than that of the global market—18 per cent CAGR till 2018<sup>15</sup>. Contract manufacturing contributes to up to 60 per cent of formulations and bulk drug manufacturing and continues to present itself as a significant growth opportunity.

With increasing pressures on managing costs and shortening time to market globally, Indian CRAMS companies with product mix skewed towards high-end research, biologics and complex technology services at low cost and abundant pool of skilled professionals are preferred players. They now need to be viewed as strategic partners rather than transactional suppliers. With strategic partnerships, their range of services can be expanded to include new drug forms, including biologics and parenteral drugs.

(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry; [www.ficci.in](http://www.ficci.in))

## FRANCHISE MARKETING

India is figured as one of the world's biggest commercial destinations. Fringed to the boom of the IT industry and industrial expansion, franchising has advanced as one of the strongest business models that guarantees to procure rich profits. The franchising industry in India has witnessed progression from a debatable format to an acceptable approach for business growth with all the major global companies emerging to grow by the route of franchising.

According to analytical reports, the Indian franchise industry is currently estimated at \$24 billion with an expectation to reach \$35 billion by 2020. India is the second-fastest evolving economy in the world with a growth of 75% in consumer spending over the last four years. Amid such evolution, the franchising industry will certainly propound new and better opportunities to innumerable brands in 2015.

With an expectation to quadruple in volume in the next five years, the Indian franchise industry will contribute approximately 4% to India's gross domestic product in 2017. By monitoring the rising trend of franchising in India, several cultures, languages and socio-economic brands are eyeing India as their target market. Retail, health and wellness, food and beverages, education and customer services are some of the key industries that possess high potential for successful franchise opportunities in India. The individual growth and the promise of these categories are driving the development of the franchise industry.

Presently there are more than 3,000 franchise brands in India and around 1,000 global brands every year are contemplating entry plans for Indian territories. For 2015, experts see a lot of potential for restaurant (food industry) franchising; specialty restaurants and gourmet brands in particular might prosper. The other sector which would encompass a plethora of opportunities would be healthcare. According to a report by Equentis Capital, the healthcare ecosystem is expected to reach 158.2 billion US Dollars by 2017. It is also observed that in India, 26% of the franchise buyers are women.

### **Franchising potential in India**

Though the Franchising in India is at a very nascent stage, but this industry has clocked the growth rate of 25-30 per cent, the second fastest growing industry. Organized retailing though only at 6 per cent of the retailing, will take off in a very big way. The Indian middle class is slowly expanding and now buys consumer appliances with more disposable income. India offers lot of potential for the franchising community. Apart from Indians being very entrepreneurial, franchising as a way of doing business has been well accepted.

(Source:<http://india.franchiseasia.com/blog/thefranchiseindustryinindiain2015trendsandhighlights/?r=4792>)

## SUMMARY OF OUR BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Zota Health Care Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

### OVERVIEW

Our Company Zota Health Care Limited, was originally incorporated on July 12, 2000 vide Certificate of Incorporation issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. We are a pharmaceutical company, engaged in developing, manufacturing and marketing pharmaceutical products. We mainly market generic, patented and OTC pharmaceutical products, which we commercialize through the network of our distributor channel for our domestic sales.

Our Company started operations in 2000 by marketing pharmaceutical products on a local level. Over the years we have built a steady position for ourselves in the domestic market which can be witnessed by the growth in our revenue from domestic operations from Rs. 3,200.94 lakhs in 2012 to Rs. 5,845.59 lakhs in 2016. The backbone of our revenue from operations is our distribution network, team of medical representatives and our marketing team. At present, we have around a distribution network of 1,000 distributors and a team of 100 medical representatives. Our Company has more than 20 marketing divisions and vast product portfolio of around 3,000 products. In addition to being vast, our product portfolio is also diversified in nature, with our offerings ranging from allopathic medicine to ayurvedic to healthcare products. We offer varieties of tablets, capsules, ointments, oral liquids, injectable to meet customer needs. Our Company has also ensured to have its presence spread throughout the country and has achieved the same by supplying in all the 4 regions of the country.

We have applied for patent of 19 unique formulations, wherein we have been granted approvals for 6 formulations.

We have also taken initiatives for digital marketing strategy and have already launched a mobile application for our division “Nutravedic.com” and are in process of launching another application to integrate the markets and reach customers at large. Further we have purchased the marketing rights of Astra-Idl Ltd. for a period of three years to strengthen our market segment of generic medicines.

Establishing a position for ourselves in the domestic market, we took the next leap in 2011 by setting up our own manufacturing unit at Special Economic Zone, Surat to foray in international markets. Our manufacturing facility is equipped with the necessary machineries and resources. For the year ended March 31, 2016, our export operations contributed 9.34% of our total revenue from operations. We have applied for registration in 15 countries for more than 230 products, out of which we have successfully received 46 approvals for some of our products from 10 countries and are in process of obtaining remaining approvals, which will give boost to our manufacturing operations and increase our export share. Currently we are manufacturing capsules and tablets at our manufacturing facility. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which in turn enhance our products range.

Our Company is the brainchild of our promoters ie. Ketankumar Zota, Manukant Zota, Himanshu Zota and Kamlesh Zota who have been the pillars of our growth. Driven by passion for building an integrated pharmaceutical company, backed by their more than decade of experience, our Promoters have built the formation and values system of our Company. With their enriching experience and progressive thinking, we aim to continue grow in the pharmaceutical industry.

#### Few of our Awards and Accolades are as follows:

- Nominated for Emerging India Awards 2013 in its respective category conducted by CNBC, TV18, ICICI Bank & Crisil

- Selected for European Patent Office Survey from amongst 800 pharmaceutical aspirants
- Winner of Business Excellence Awards 2015(Company of the Year-mid segment) by CIMS at Indian Pharma Expo
- Winner of Business Excellence Awards 2016(Company of the Year-mid segment) by CIMS at Indian Pharma Expo

#### **Our Registered Office:**

The registered office is situated at Zota House, 2/896 Hira Modi Street, Sagrampura, Surat-395002. Our office is centrally located in Surat and admeasures 5,500 square feet area.

#### **Our Warehousing Unit:**

Our warehousing unit is located at the Pandesara, Udhna Navsari Road, Surat and admeasures 45,000 sq. ft. area.

#### **Our Manufacturing Unit:**

Started in the year 2011, our manufacturing SEZ unit located at Plot No. 169, Surat Special Economic Zone, Near Sachin Railway Station, Surat-394230 admeasures 30,000 sq. ft.

### **FORM OF PRODUCTS MANUFACTURED BY OUR COMPANY FOR EXPORT**

The SEZ unit is dedicated to the manufacture of FDFs. (Finished Dosage Formulations) for our export markets. We also job-work the formulations as provided by peers of our industry to resist the capacity utilization of our unit, till we receive approvals from the other countries.

#### **I. Tablet**

A medicine in a tablet form is a dosage which is provided to the patients. It is a solid form of medicine which may contain diluents and prepared by molding or by compression.

#### **II. Capsule**

A medicine in a Capsule form is a dosage which is provided to the patient. It is in powder form which may contain mixture of two or more medicines and the outer coting is made of gel caps.

## OUR COMPETITIVE STRENGTHS



## BUSINESS STRATEGY



## SUMMARY OF FINANCIAL STATEMENTS

<b>ANNEXURE-I</b>						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)</b>						
<i>(Rs. In Lacs)</i>						
	Particulars	<b>As at</b>				
		<b>Decemb er 31, 2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>1</b>	<b>Equity Liabilities</b>					
	<b>Share Holder's Fund</b>					
	(a) Share Capital	1,436.34	1,436.34	1,436.34	1,196.95	1,196.95
	(b) Reserve & Surplus	1113.50	719.53	373.83	363.92	190.05
<b>2</b>	<b>Non Current Liabilities</b>					
	(a) Long Term borrowings	228.09	222.64	199.99	319.65	302.77
	(b) Deferred Tax Liabilities	(2.96)	4.66	13.37	29.09	29.82
	(c) Long Term Provisions	44.47	31.74	24.31	16.89	12.93
<b>3</b>	<b>Current Liabilities</b>					
	(a) Short Term borrowings	413.84	0.00	302.48	102.53	128.97
	(b) Trade Payables	1661.24	1,460.45	1,171.25	978.85	716.45
	(c) Other Current Liabilities	36.79	39.79	75.61	138.49	180.20
	(d) Short Term Provisions	56.68	239.87	239.60	171.16	180.39
	<b>Total</b>	<b>4987.99</b>	<b>4,155.01</b>	<b>3,836.77</b>	<b>3,317.54</b>	<b>2,938.53</b>
	<b>Assets</b>					
<b>4</b>	<b>Non Current Assets</b>					
	(a) Fixed Assets	838.91	836.01	823.43	907.43	918.35
	(b) Non Current Investment	9.35	8.88	8.22	7.60	7.00
	(c) Long Term Loans and Advances	10.75	10.75	10.75	11.31	10.85
<b>5</b>	<b>Current Assets</b>					
	(a) Inventories	1903.53	1,633.25	1,762.26	1,252.78	1,097.62
	(b) Trade Receivable	2162.24	1,577.64	1,169.05	1,067.90	840.35
	(c) Cash and Bank Balances	20.78	75.62	16.38	14.29	12.68
	(d) Short Term Loans and Advances	18.25	1.63	2.24	8.89	0.66
	(e) Other Current Assets	24.16	11.24	44.45	47.33	51.01
	<b>Total</b>	<b>4987.99</b>	<b>4,155.01</b>	<b>3,836.77</b>	<b>3,317.54</b>	<b>2,938.53</b>

**Note:** The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexure IV, II and III.

ANNEXURE-II							
<b>ZOTA HEALTH CARE LIMITED</b>							
<b>STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT (AS RESTATED)</b>							
(Rs. In Lakhs)							
Particulars		For the period ended December 31, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
<b>Continue Operation :</b>							
Revenue from operations:		5619.44	6,473.33	5,646.34	5,011.16	4,390.81	3,814.30
Other income		6.50	7.69	1.44	10.23	3.45	2.72
<b>Total Revenue</b>	<b>A</b>	<b>5625.94</b>	<b>6,481.01</b>	<b>5,647.78</b>	<b>5,021.39</b>	<b>4,394.26</b>	<b>3,817.02</b>
<b>Expenses:</b>							
Cost of Material Consumed		264.15	359.45	259.55	357.95	418.40	599.41
Purchase of Stock-in-Trade		3690.95	3,728.91	3,955.68	3,173.23	2,758.53	2,391.83
Changes in inventories of finished goods, WIP and Stock-in-Trade		(268.18)	125.57	(534.89)	(110.98)	(142.47)	(363.76)
Employee benefits expense		460.00	538.72	459.31	355.14	314.73	278.19
Finance costs		35.29	68.34	66.48	71.37	79.36	50.51
Depreciation		78.39	123.47	150.60	120.69	135.14	138.72
Other expenses		790.18	757.69	659.01	584.27	451.59	425.96
<b>Total Expenses</b>	<b>B</b>	<b>5032.80</b>	<b>5,702.15</b>	<b>5,015.74</b>	<b>4,551.67</b>	<b>4,015.28</b>	<b>3,520.87</b>
<b>Profit before exceptional and extraordinary items and tax (A-B)</b>	<b>C</b>	<b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>	<b>378.98</b>	<b>296.15</b>
Exceptional item		-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>D</b>	<b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>	<b>378.98</b>	<b>296.15</b>
Extraordinary item		-	0.00	-	0.00	-	0.00
<b>Profit Before Tax</b>	<b>E</b>	<b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>	<b>378.98</b>	<b>296.15</b>
<b>Provision for Tax</b>							
Current Tax		206.79	266.85	219.58	153.70	123.02	62.28
- IT Created short		-	2.15	0.49	3.77	0.10	-
- Deferred Tax Liability / (Asset)		(7.62)	(8.71)	(14.07)	(0.73)	0.41	35.53
<b>Restated profit after tax from continuing operations</b>	<b>F</b>	<b>393.97</b>	<b>518.57</b>	<b>426.03</b>	<b>312.98</b>	<b>255.45</b>	<b>198.34</b>
<b>Discontinuing operation</b>		-	-	-	-	-	-
<b>Restated profit for the year</b>		<b>393.97</b>	<b>518.57</b>	<b>426.03</b>	<b>312.98</b>	<b>255.45</b>	<b>198.34</b>
	<b>Note:</b> The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities, and cash flows statement as appearing in Annexure IV, I and III.						

**ANNEXURE-III**

**ZOTA HEALTH CARE LIMITED**  
**STANDALONE SUMMARY STATEMENT OF CASH FLOW**  
**(AS RESTATED)**

*(Rs. In Lacks)*

Particulars	For the period ended December 31, 2016	For the Year ended March 31,				
		2016	2015	2014	2013	2012
<b>1.Cash Flow From Operating Activities:</b>						
Net Profit before tax and extraordinary item	593.14	778.87	632.03	469.72	378.98	296.15
<i>Adjustments for:</i>						
<i>Add: Depreciation</i>	78.39	123.47	150.60	120.69	135.14	138.72
<i>Add: Interest Paid</i>	-	25.70	32.07	30.42	20.43	11.39
<i>Add: Interest On Term loan</i>	23.75	38.15	30.81	36.23	55.84	34.89
<i>Less: Interest On Fixed Deposits</i>	0.53	0.73	0.69	0.67	0.62	1.53
<i>Less: Profit/(Loss) on sale of Fixed Assets</i>	-	0.75	-	0.11	(0.12)	-
<i>Less: Interest On GEB Deposits</i>	-	0.71	0.75	0.71	0.79	1.00
<b>Operating Profit before Working Capital Changes</b>	<b>704.52</b>	<b>963.99</b>	<b>844.08</b>	<b>655.58</b>	<b>589.10</b>	<b>478.63</b>
<i>Adjustments for:</i>						
Inventories	(270.29)	129.02	(509.48)	(155.16)	(80.25)	(469.03)
Trade Receivables	(584.61)	(408.59)	(101.14)	(227.55)	(106.87)	(222.96)
Short Term Provisions	(224.55)	0.28	68.43	(9.23)	32.54	24.79
Trade Payables	200.79	289.20	192.39	262.40	71.82	297.56
Short Term Borrowings	413.84	(302.48)	199.95	(26.44)	(66.38)	195.35
Other Current Liabilities	(3.00)	(35.83)	(62.88)	(41.71)	(74.88)	212.69
Long term Provision	10.75	7.43	7.41	3.96	4.24	8.69
Loans & Advances	26.73	0.61	6.65	(8.22)	45.01	65.25
Other Current Assets	(12.92)	33.21	2.89	3.68	(14.92)	(36.10)
<b>Cash Generated from Operation</b>	<b>261.26</b>	<b>676.83</b>	<b>648.30</b>	<b>457.31</b>	<b>399.41</b>	<b>554.87</b>
Taxes Paid	(206.79)	(269.00)	(220.07)	(157.47)	(123.12)	(62.28)
<b>Net Cash from Operating Activities</b>	<b>54.47</b>	<b>407.83</b>	<b>428.23</b>	<b>299.84</b>	<b>276.29</b>	<b>492.59</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased	(81.31)	(138.50)	(71.70)	(110.87)	(67.71)	(358.98)
Sale of Fixed Assets	-	3.20	-	1.20	0.04	15.00
Non Current Investments	(0.47)	(0.65)	(0.62)	(0.60)	(0.56)	(0.43)
Long Term Loans and Advance	-	-	0.56	(0.46)	(0.10)	0.76
Interest On GEB Deposits	-	0.71	0.75	0.71	0.79	1.00
Interest on Fixed Deposit	0.53	0.73	0.69	0.67	0.62	1.53
<b>Net Cash from Investing Activities</b>	<b>(81.26)</b>	<b>(134.51)</b>	<b>(70.32)</b>	<b>(109.35)</b>	<b>(66.91)</b>	<b>(341.12)</b>
<b>3. Cash Flow From Financing</b>						

	ANNEXURE-III					
	<b>ZOTA HEALTH CARE LIMITED</b>					
	<b>STANDALONE SUMMARY STATEMENT OF CASH FLOW (AS RESTATED)</b>					
	(Rs. In Lacks)					
Particulars	For the period ended December 31, 2016	For the Year ended March 31,				
		2016	2015	2014	2013	2012
<b>Activities:</b>						
<b>ADD:</b>						
Proceeds from Long term borrowings	-	-	(21.52)	(58.82)	(107.85)	(26.41)
(Decrease)/Increase in Unsecured Loan	5.46	22.65	(98.14)	75.70	114.35	17.77
Increase/(Decrease) In Equity Share Capital	-	-	239.39	-	199.49	332.49
<b>LESS:</b>						
Interest on Unsecured Loan	(9.77)	(25.70)	(32.07)	(30.42)	(20.43)	(11.39)
Interest On Term Loan	(23.75)	(38.15)	(30.81)	(36.23)	(55.84)	(34.89)
Proposed Dividend	-	(143.63)	(143.63)	(119.69)	(119.69)	(99.75)
Tax On Dividend	-	(29.24)	(29.65)	(19.41)	(19.42)	(16.18)
Bonus Share Issued	-	-	(226.93)	-	-	(210.00)
Bonus Share Issued out of Securities Premium	-		(12.46)	-	(199.49)	(122.49)
<b>Net Cash from Financing Activities</b>	<b>(28.06)</b>	<b>(214.07)</b>	<b>(355.83)</b>	<b>(188.88)</b>	<b>(208.89)</b>	<b>(170.86)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(54.84)</b>	<b>59.24</b>	<b>2.08</b>	<b>1.61</b>	<b>0.49</b>	<b>(19.39)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>75.62</b>	<b>16.38</b>	<b>14.29</b>	<b>12.68</b>	<b>12.20</b>	<b>31.59</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>12.37</b>	<b>75.62</b>	<b>16.38</b>	<b>14.29</b>	<b>12.68</b>	<b>12.20</b>

**Note:**

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements issued by ICAI.
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities and statement of profit and loss as appearing in Annexure IV, I and II.

## THE OFFER

The following table summarizes the Offer details:

Particulars	Details of Equity Shares
Offer	46,80,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [•] /- per Equity share aggregating to Rs. [•] Lakhs
<b>Of Which:</b>	
Fresh Issue	31,80,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [•] /- per Equity share aggregating to Rs. [•] Lakhs
Offer for Sale	15,00,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [•]/- per Equity Share aggregating Rs. [•] lakhs
The Offer consists of:	
Market Maker Reservation Portion	2,38,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [•] /- per Equity share aggregating to Rs. [•] Lakhs
Net Offer to the Public	44,42,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [•]/- per share aggregating Rs. [•] Lakhs
	<i>Of which</i>
	22,21,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company at a cash price of Rs. [•]/- per Equity share aggregating Rs. [•] Lakhs will be available for allocation to Retail Individual Investors up to Rs. 2.00 Lakhs
	22,21,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of [•]/- per Equity Share aggregating Rs. [•] lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
<b>Pre and Post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	1,43,63,352 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Offer	1,75,43,352 Equity Shares of face value of Rs.10 each
Use of proceeds of this Offer	For further details please refer chapter titled " <i>Objects of the Offer</i> " beginning on page 110 of this Red Herring Prospectus for information on use of Offer Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

### Notes.

1. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

\*The allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual applicants other than retail individual investors; and

- ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage*

2. The Offer has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on July 25, 2016 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on August 27, 2016.
3. The Offer for Sale has been authorized by the Selling Shareholders by their consent letter dated September 10, 2016 as follows:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares Offered
1)	Manukant Zota	3,60,000
2)	Varshaben Zota	3,60,000
3)	Ketankumar Chandulal Zota (HUF)	4,80,000
4)	Manisha Zota	3,00,000

Further details please refer to chapter titled “*Offer Structure*” beginning on page 377 of this Red Herring Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as “Zota Health Care Private Limited” at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated July 12, 2000 bearing Registration Number 04-38352 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on July 28, 2008 and the name of our Company was changed to “Zota Health Care Limited” and a Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 18, 2008 was issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U24231GJ2000PLC038352.

For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled ‘*Our History and Certain Other Corporate Matters*’ beginning on page 187 of this Red Herring Prospectus.

### **REGISTERED OFFICE OF OUR COMPANY**

#### **Zota Health Care Limited**

Zota House, 2/896 Hira Modi Street,  
Sagrampura, Surat-395002

**Tel:** +91 261 2331601

**Fax:** +91 261 2346415

**Email:** [info@zotahealthcare.com](mailto:info@zotahealthcare.com)

**Website:** [www.zotahealthcare.com](http://www.zotahealthcare.com)

**Corporate Identification Number:** U24231GJ2000PLC038352

### **REGISTRAR OF COMPANIES**

#### **Registrar of Companies, Gujarat**

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad-380013

### **DESIGNATED STOCK EXCHANGE**

#### **Emerge Platform of National Stock Exchange of India**

Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra - Kurla Complex  
Bandra (E),  
Mumbai - 400 051

### **BOARD OF DIRECTORS OF OUR COMPANY**

Sr. No.	Name	Age	DIN	Address	Designation
1.	Ketankumar Zota	51	00822594	8-D, Anjan Shalaka Apartment, Opp. Lal Bungalow Jain Temple, Athwalines Choriyasi, Surat-395007	Chairman & Non Executive Director
2.	Moxesh Zota	26	07625219	8/D, Anjan Shalaka Apt, Lal Bungalow, Jain Temple, Athwalines, Surat – 395007	Managing Director
3.	Kamlesh Zota	44	00822705	15, Panchratna Soc. -2, Opp. Sneh Sankul Wadi, Anand Mahal Road, Surat-395009	Whole-time Director

Sr. No.	Name	Age	DIN	Address	Designation
4.	Himanshu Zota	42	01097722	604, Navkar Vila, Deepa Complex, Adajan Road Surat-395009	Whole-time Director
5.	Manukant Zota	65	02267804	104, Divya Swapna Apartment, Kaji Nu Medan, Gopipura, Surat-395001	Whole-time Director
6.	Varsaben Mehta	48	07611561	B-25, Pavitra Row House, Nr. Sahaj Super Store, Adajan, Surat-395009	Additional Director
7.	Saileshkumar Shah	59	03245881	Navsarjan Hospital, Opp Shri Ram Petrol Pump, Anand Mahal Road, Adajan Surat-395009	Independent Director
8.	Mahesh Prajapati	30	03245989	Shanti Medical Sto Mahal Rd. Adajan, Surat 395009	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 192 of this Red Herring Prospectus.

### COMPANY SECRETARY & COMPLIANCE OFFICER

**Ashvin Variya**  
**Zota Health Care Limited**  
 Zota House, 2/896 Hira Modi Street,  
 Sagrampura, Surat-395002  
**Tel:** +91 261 2331601  
**Fax:** +91 261 2346415  
**Email:** [czota@zotahealthcare.com](mailto:cszota@zotahealthcare.com)  
**Website:** [www.zotahealthcare.com](http://www.zotahealthcare.com)

### CHIEF FINANCIAL OFFICER

**Viral Mandviwala**  
**Zota Health Care Limited**  
 Zota House, Bhagwan Aiyappa Compound,  
 Batali Boi Circle, Pandesara,  
 Udhna Navsari Road,  
 Surat-394221  
**Tel:** +91 261 2890109  
**Fax:** +91 261 2346415  
**Email:** [ac@zotahealthcare.com](mailto:ac@zotahealthcare.com)  
**Website:** [www.zotahealthcare.com](http://www.zotahealthcare.com)

**Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or the Book Running Lead Managers, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or unblocking of ASBA Account, etc.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Bank Account number and the Designated Branch of the relevant SCSBs to whom the Application Form was submitted (at ASBA Locations) by the Applicants.

## STATUTORY & PEER REVIEWED AUDITOR

### Pradeep K. Singhi & Associates

#### Chartered Accountants

A-501, President Plaza, Nr. R.T.O. Circle,  
Ring Road, Nanpura,  
Surat-395002

**Tel. No.:** +91 261 2474714/ 2474954

**Fax No.:** Not Available

**Email:** [pk singhi.roc@gmail.com](mailto:pk singhi.roc@gmail.com)

**Contact Person:** Pradeep Kumar Singhi

**Firm Registration No.:** 126027W

**Membership No.:** 200/24612

Pradeep K. Singhi & Associates, Chartered Accountant holds a peer reviewed certificate dated December 23, 2015 issued by the Institute of Chartered Accountants of India.

## BOOK RUNNING LEAD MANAGERS

### Pantomath Capital Advisors Private Limited

406-408, Keshava Premises  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051

**Tel:** +91 22 61946720/24

**Fax:** + 91 22 26598690

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)

**Contact Person:** Kirti Kanoria

**SEBI Registration No:** INM000012110

### Indian Overseas Bank

Merchant Banking Division, 763, Anna Salai,  
Chennai- 600 002

**Tel.:** + 91 44 2851 9548/ 2888 9367/+ 91 22 226  
22017/2262 2018

**Email:** [mbd@iobnet.co.in](mailto:mbd@iobnet.co.in)

**Website:** [www.iob.in](http://www.iob.in)

**Contact Person:** (i) B. Gomathy/ S.Chandra,  
Merchant Banking Division, Chennai

(ii) S. Muralidharan, Capital Market Services  
Branch, Mumbai,

**SEBI Registration No:** INM000001386

## REGISTRAR TO THE ISSUE & SHARE ESCROW AGENT

### Satellite Corporate Services Pvt Ltd

B-302, Sony Apartment, Opp. St. Jude's High School,  
90, Feet Road, Jarimari, Sakinaka,  
Mumbai-400072

**Tel:** +91 22 28520461

**Fax:** +91 22 28511809

**Email:** [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

**Website:** [www.satellitecorporate.com](http://www.satellitecorporate.com)

**Contact Person:** Michael Monteiro

**SEBI Registration Number:** INR000003639

## LEGAL ADVISOR TO THE ISSUE

### M V Kini, Law Firm

Kini House, Near City Bank,  
D.N. Road, Fort,  
Mumbai-400001

**Tel:** +91 22 2261 2527/ 28 / 29

**Fax:** +91 22 2261 2530

**E-mail:** [vidisha@mvkini.com](mailto:vidisha@mvkini.com)

**Contact Person:** Vidisha Krishan

**Website:** [www.mvkini.com](http://www.mvkini.com)

## BANKER TO THE COMPANY

### **Axis Bank Limited**

Surat Main Branch,  
Digvijay Tower, Opp. St. Xaviers School,  
Ghod Dod Road, Surat - 395007  
**Tel:** - +91 261 408 2300  
**Fax:** - +91 261 4082300  
**E-mail:** [surat.branchhead@axisbank.com](mailto:surat.branchhead@axisbank.com)  
**Contact Person:** Dilipkumar Bidwatka & Maulik Joshi  
**Website:** [www.axisbank.com](http://www.axisbank.com)

## PUBLIC OFFER BANKS/ BANKERS TO THE OFFER

### **ICICI Bank Limited**

Capital Market Division,  
1<sup>st</sup> Floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai - 400 020  
**Tel:** (91) 022 22859907  
**Fax:** (91) 022 22611138  
**Email:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)  
**Contact Person:** Rishav Bagrecha  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**SEBI Registration Number:** INBI00000004

### **IndusInd Bank Limited**

IndusInd Bank, PNA House, 4th Floor  
Plot No 57 & 57/1, Road No. 17,  
Near SRL, MIDC, Andheri East  
Mumbai – 400093  
**Tel :** +91 22 61069234  
**Fax :** +91 22 61069315  
**Email:** [suresh.esaki@indusind.com](mailto:suresh.esaki@indusind.com)  
**Contact Person:** Suresh Esaki  
**Website:** [www.indusind.com](http://www.indusind.com)  
**SEBI Registration Number:** INBI00000002

## REFUND BANKER TO THE OFFER

### **ICICI Bank Limited**

Capital Market Division,  
1<sup>st</sup> Floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai - 400 020  
**Tel:** (91) 022 22859922  
**Fax:** (91) 022 22611138  
**Email:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)  
**Contact Person:** Rishav Bagrecha  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**SEBI Registration Number:** INBI00000004

## SYNDICATE MEMBER

### **Pantomath Stock Brokers Private Limited**

108, Madhava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East), Mumbai-400051  
**Tel:** - +91 22 26598692  
**Fax:** - +91 22 26598690  
**Email:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)  
**Contact Person:** Mahavir Toshniwal  
**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)  
**SEBI Registration Number:** INZ000068338

## DESIGNATED INTERMEDIARIES

### **Self Certified Syndicate Banks**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by  
Blocked              Amount              (ASBA)              Process              are              provided              on

[### \*\*Registered Brokers\*\*](http://www.sebi.gov.in/sebiweb/home/detail/32931/yes>List-of-Self-Certified-Syndicate-Banks-SCSBs-for-Syndicate-ASBA</a>. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.</p>
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Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

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

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **CREDIT RATING**

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

### **IPO GRADING**

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

### **APPRAISAL AND MONITORING AGENCY**

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. [•] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Below mentioned table set forth the inter-se allocation of responsibilities for various activities among the BRLM's to this Issue; i.e. PCAPL and IOB.

Sr. No.	Activities	Responsibility	Coordinator
1.	Capital restructuring with the relative components and formalities such as type of instruments, etc.	PCAPL, IOB	PCAPL
2.	Due diligence of the Company's operations/ management/ business plans/ legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Red Herring Prospectus. The BRLM's shall ensure compliance with stipulated requirements	PCAPL, IOB	PCAPL

Sr. No.	Activities	Responsibility	Coordinator
	and completion of prescribed formalities with the Stock exchange(s), RoC and SEBI including finalization of the Red Herring Prospectus and filing with the RoC.		
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	PCAPL	PCAPL
4.	Appointment of registrar and other agencies to the Issue.	PCAPL	PCAPL
5.	Appointment of all other intermediaries including bankers to the Issue, printers, advertising agency etc.	PCAPL	PCAPL
6.	<ul style="list-style-type: none"> <li>• Developing marketing strategy which will cover, inter alia</li> <li>• Formulating marketing strategies, preparation of publicity budget;</li> <li>• Finalising media, marketing and public relations strategy;</li> <li>• Finalising bidding and collection centers; and</li> <li>• Follow-up on distribution of publicity and issue material including form, Red Herring Prospectus and deciding on the quantum of the issue material.</li> </ul>	PCAPL, IOB	PCAPL
7.	Coordination with Stock Exchange for bidding terminals and mock trading.	PCAPL	PCAPL
8.	Management of Public Issue Bank account and Refund Bank account and allocation.	PCAPL	PCAPL
9.	Post bidding activities including coordination for non-institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post issue activities of the issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business, unblocking of ASBA funds, etc. The BRLM's shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.	IOB	IOB

### EXPERT OPINION

Our Company has not obtained any expert opinion.

### DEBENTURE TRUSTEE

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

### BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company, Selling Shareholders in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Gujarati Newspaper, Gujarati being the regional language of Gujarat, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date, after the Bid/Issue Closing Date. The Offer Price shall be determined by our Company, Selling Shareholders in consultation with the BRLM in accordance with the Book Building Process. Principal parties involved in the Book Building Process are:

- Our Company;
- Selling Shareholders
- The Book Running Lead Managers in this case being Pantomath Capital Advisors Private Limited and Indian Overseas Bank,
- Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLMs;
- The Registrar to the Offer and;
- The Designated Intermediaries

This Issue is being made through the 100 per cent Book Building Process wherein 50 per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. The allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage*

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

For further details on the method and procedure for Bidding, please see section entitled “Offer Procedure” on page 380 of this Red Herring Prospectus

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20 to Rs.24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%

1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
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 shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the Book Running Lead Managers will finalize the issue price at or below such cut-off price, i.e., at or below Rs.22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

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

1. Check eligibility for making a Bid (see section titled “Offer Procedure” on page 380. of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims

Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

#### BID / OFFER PROGRAMME

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

Event	Indicative Date
Bid/Offer Opening Date	Thursday, April 27, 2017
Bid/Offer Closing Date	Tuesday, May 02, 2017
Finalization of Basis of Allotment with the Designated Stock Exchange	Friday, May 05, 2017
Initiation of Refunds	Monday, May 08, 2017
Credit of Equity Shares to Demat Accounts of Allottees	Tuesday, May 09, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	Thursday, May 11, 2017

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

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Offer Period. On the Offer Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Managers to the Stock Exchanges. It is

clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Managers is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Offer Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

## **UNDERWRITER**

Our Company, Selling Shareholders and BRLM's to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated September 12, 2016 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rupees in Lakhs)	% of the Total Issue size Underwritten
<b>Pantomath Capital Advisors Private Limited</b> 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 <b>Tel:</b> +91 22 61946724 <b>Fax:</b> +91 22 26598690 <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Contact Person:</b> Madhu Lunawat <b>SEBI Registration Number:</b> INM000012110	42,80,000	[•]	91.45%
<b>Indian Overseas Bank</b> Merchant Banking Division, 763, Anna Salai, Chennai- 600 002 <b>Tel.:</b> + 91 44 2851 9548/ 2888 9367/+ 91 22 226 22017/2262 2018 <b>Email:</b> <a href="mailto:mbd@iobnet.co.in">mbd@iobnet.co.in</a> <b>Contact Person:</b> (i) B. Gomathy/ S.Chandra, Merchant Banking Division, Chennai (ii) S. Muralidharan, Capital Market Services Branch, Mumbai, <b>SEBI Registration No:</b> INM00001386	4,00,000	[•]	8.55%
<b>Total</b>	<b>46,80,000</b>	[•]	<b>100%</b>

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

## **DETAILS OF THE MARKET MAKING ARRANGEMENT**

Our Company, Selling Shareholders and the BRLM's have entered into an agreement dated January 09, 2017 with the below Market Maker, duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making:

**Pantomath Stock Brokers Private Limited**  
 108, Madhava Premises, Behind Family Court,

Bandra Kurla Complex, Bandra (East), Mumbai-400051

**Tel:** - +91 22 26598692

**Fax:** - +91 22 26598690

**E-mail:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)

**Contact Person:** Mahavir Toshniwal

**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)

**SEBI Registration Number:** INZ000068338

Pantomath Stock Brokers Private Limited, registered with Emerge segment of National Stock Exchange of India will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [•]/- the minimum lot size is [•] Equity Shares thus minimum depth of the quote shall be Rs. [•]/- until the same, would be revised by National Stock Exchange of India Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [•] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.

6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All

controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

8. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Managers, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

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

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

11. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

<b>Issue size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to Rs. 20 Crore	25%	24%
Rs. 20 crore to Rs. 50 crore	20%	19%
Rs. 50 to Rs. 80 crore	15%	14%
Above Rs. 80 crore	12%	11%

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

## CAPITAL STRUCTURE

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006), bank statements of the Company and transfer forms (prior to 2009) are not traceable by our Company. With respect to changes in capital structure these include forms for incorporation form, increase in authorised share capital, share capital allotment, annual returns, etc. Hence, this chapter is prepared based on the ROC search reports, resolutions passed in minutes of the meetings of the Board and Members, data provided by management and to the best of information available.*

The Equity Share capital of our Company, as on the date of this Red Herring Prospectus and after giving effect to the Issue is set forth below:

*Amount (Rs. in Lakhs except share data)*

No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price
A.	<b>Authorised Share Capital</b>		
	2,00,00,000 Equity Shares of face value of Rs. 10/- each	2,000.00	
B.	<b>Issued, Subscribed and Paid-Up Share Capital before the Offer</b>		
	1,43,63,352 Equity Shares of face value of Rs. 10/- each	1,436.34	
C.	<b>Present Offer in terms of this Red Herring Prospectus</b>		
	Offer of 46,80,000 Equity Shares of face value Rs.10/- each at a price of Rs. [•]/- per Equity Share.	468.00	[•]
	<b>Consisting of :</b>		
	<b>Fresh Issue</b> of 31,80,000 Equity Shares of face value Rs.10/- each at a price of Rs. [•]/- per Equity Share aggregating up to Rs. [•] Lakhs	318.00	[•]
	<b>Offer for Sale of 15,00,000 Equity Shares by Selling Shareholders:</b>		
	(i) <b>Offer for Sale of 3,60,000 Equity Shares by Manukant Zota</b>	36.00	[•]
	(ii) <b>Offer for Sale of 3,60,000 Equity Shares by Varshaben Zota</b>	36.00	[•]
	(iii) <b>Offer for Sale of 4,80,000 Equity Shares by Ketankumar Chandulal Zota (HUF)</b>	48.00	[•]
	(iv) <b>Offer for Sale of 3,00,000 Equity Shares by Manisha Zota</b>	30.00	[•]
	of face value Rs.10/- each at a price of Rs. [•]/- per Equity Share.		
	<b>Reservation for Market Maker</b> – 2,38,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [•]/- per Equity Share	23.80	[•]
	<b>Net Issue / Offer to the Public</b> – 44,42,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [•]/- per Equity Share	444.20	[•]
	<b>Of the Net Issue / Offer to the Public</b>		[•]
	<b>Allocation to Retail Individual Investors</b> – 22,21,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [•]/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2.00 lakhs	222.10	[•]
	<b>Allocation to Other than Retail Individual Investors</b> - 22,21,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [•]/- per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2.00 lakhs	222.10	[•]
D.	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	1,75,43,352 Equity Shares of face value of Rs. 10/- each	1,754.33	
E.	<b>Securities Premium Account</b>		
	Before the Issue	NIL	
	After the Issue		[•]

The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on July 25, 2016 and by the shareholders of our Company vide a special resolution pursuant to at the Annual General Meeting held on August 27, 2016.

The selling shareholders have consented to participate in the offer in the following manner:

1. 3,60,000 Equity Shares by Manukant Zota vide authorization letter dated September 10, 2016;
2. 3,60,000 Equity Shares by Varshaben Zota vide authorization letter dated September 10, 2016;
3. 4,80,000 Equity Shares by Ketankumar Chandulal Zota (HUF) vide authorization letter dated September 10, 2016;
4. 3,00,000 Equity Shares by Manisha Zota vide authorization letter dated September 10, 2016.

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

#### **NOTES TO THE CAPITAL STRUCTURE**

##### **1. Details of increase in authorised share capital:**

**Since the Incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:**

<b>Particulars of Change</b>		<b>Date of Shareholders' Meeting</b>	<b>AGM / EGM</b>
<b>From</b>	<b>To</b>		
Rs. 1,00,000 consisting of 10,000 equity shares of Rs. 10/- each		On Incorporation	—
Rs. 1,00,000 consisting of 10,000 Equity shares of Rs. 10/- each.	Rs. 6,00,000 consisting of 60,000 Equity Shares of Rs. 10/- each.	November 22, 2000	EGM
Rs. 6,00,000 consisting of 60,000 Equity shares of Rs. 10/- each.	Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs. 10/- each.	November 10, 2003	EGM
Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs. 10/- each.	Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs. 10/- each.	March 3, 2008	EGM
Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs. 10/- each.	Rs. 2,50,00,000 consisting of 25,00,000 Equity Shares of Rs. 10/- each.	June 9, 2008	EGM
Rs. 2,50,00,000 consisting of 25,00,000 Equity Shares of Rs. 10/- each.	Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each.	September 5, 2009	AGM
Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each	Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs. 10/- each.	September 29, 2010	AGM
Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs. 10/- each.	Rs. 15,00,00,000 consisting of 1,50,00,000 Equity Shares of Rs. 10/- each.	September 27, 2011	AGM
Rs. 15,00,00,000 consisting of 1,50,00,000 Equity Shares of Rs. 10/- each.	Rs. 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs. 10/- each.	August 27, 2016	AGM

## 2. History of Equity Share Capital of our Company

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Number of allottees
On Incorporation	400	10	10	Cash	Subscription to MOA <sup>(i)</sup>	400	4,000	4
July 14, 2000	1,600	10	10	Cash	Further Allotment <sup>(ii)</sup>	2,000	20,000	4
June 11, 2001	47,000	10	10	Cash	Further Allotment <sup>(iii)</sup>	49,000	4,90,000	4
January 3, 2005	49,500	10	10	Cash	Further Allotment <sup>(iv)</sup>	98,500	9,85,000	5
May 22, 2006	10,000	10	10	Cash	Further Allotment <sup>(v)</sup>	1,08,500	10,85,000	1
March 31, 2007	25,000	10	10	Cash	Further Allotment <sup>(vi)</sup>	1,33,500	13,35,000	1
July 16, 2008	18,42,300	10	NA	Other than Cash	Bonus Allotment <sup>(vii)</sup>	19,75,800	1,97,58,000	11
October 3, 2008	1,03,900	10	100	Cash	Rights Issue <sup>(viii)</sup>	20,79,700	2,07,97,000	382
February 28, 2009	500	10	100	Cash	Further Allotment <sup>(ix)</sup>	20,80,200	2,08,02,000	2
September 12, 2009	20,80,200	10	NA	Other than Cash	Bonus Allotment <sup>(x)</sup>	41,60,400	4,16,04,000	390
August 14, 2010	25,000	10	100	Cash	Further Allotment <sup>(xi)</sup>	41,85,400	4,18,54,000	19
September 29, 2010	20,92,700	10	NA	Other than Cash	Bonus Allotment <sup>(xii)</sup>	62,78,100	6,27,81,000	403
March 31, 2011	3,71,600	10	100	Cash	Rights Issue <sup>(xiii)</sup>	66,49,700	6,64,97,000	825
September 27, 2011	33,24,850	10	NA	Other than Cash	Bonus Allotment <sup>(xiv)</sup>	99,74,550	9,97,45,500	1076

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Number of allottees
October 1, 2012	19,94,910	10	NA	Other than Cash	Bonus Allotment <sup>(xv)</sup>	1,19,69,460	11,96,94,600	1102
October 7, 2014	23,93,892	10	NA	Other than Cash	Bonus Allotment <sup>(xvi)</sup>	1,43,63,352	14,36,33,520	1117

- (i) Subscription to MOA by Ketankumar Zota, Manukant Zota, Himanshu Zota and Kamlesh Zota of 100 Equity Shares each.
- (ii) Further allotment to Ketankumar Zota, Manukant Zota, Himanshu Zota and Kamlesh Zota of 400 Equity Shares each of face value of Rs. 10/- each at par.
- (iii) Further allotment to Ketankumar Zota of 21,600 Equity Shares, to Manukant Zota of 5,000 Equity Shares, to Himanshu Zota of 15,500 Equity Shares and to Kamlesh Zota of 4,900 Equity Shares of face value of Rs. 10/- each at par.
- (iv) Further allotment to Himanshu Zota of 7,500 Equity Shares, to Kamlesh Zota of 9,000 Equity Shares, to Atmaram Shah of 13,000 Equity Shares, to Ilesh Shah of 5,000 Equity Shares and to Vipul Shah of 15,000 Equity Shares of face value of Rs. 10/- each at par.
- (v) Further allotment to Vipul Shah of 10,000 Equity Shares of face value of Rs. 10/- each at par.
- (vi) Further allotment to Manukant Zota of 25,000 Equity Shares of face value of Rs. 10/- each at par.
- (vii) Bonus Issue of 18,42,300 Equity Shares of Rs. 10/- each in the ratio of 138 Bonus Equity Shares for every 10 Equity Shares held resulting in allotment to Himanshu Zota of 3,24,300 Equity Shares, Kamlesh Zota of 1,98,720 Equity Shares, Ketankumar Zota of 3,04,980 Equity Shares, Manukant Zota of 4,20,072 Equity Shares, Anila Zota of 1,46,556 Equity Shares, Ketan Chandulal Zota (HUF) of 1,38,000 Equity Shares, Manisha Zota of 1,69,740 Equity Shares, Manukant Chandulal Zota (HUF) of 21,252 Equity Shares, Varsha H. Zota of 1,17,852 Equity Shares, Vinodchandra Siriya of 138 Equity Shares and Ashok Zota of 690 Equity Shares.
- (viii) Rights issue of 1,03,900 Equity shares of Face Value Rs. 10/- each fully paid at an issue price of Rs. 100/- each (including premium of Rs. 90/- per share) in the ratio of 1:18 (every equity share holder holding 18 equity shares of the Company is offered 1 share at par) was given to all the existing shareholders.
- (ix) Further allotment to Debabrata Sahu of 400 Equity Shares and to Mahesh Prajapati of 100 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 90/- each.

- (x) Bonus Issue of 20,80,200 Equity Shares of Rs. 10/- each in the ratio of 1 Bonus Equity Share for every 1 Equity Share held to 390 allottees.
- (xi) Further allotment to Jamnadas Chandak of 15,000 Equity Shares, to Praful Vora of 300 Equity Shares, to Sonal Vora of 300 Equity Shares, to Jayantilal Mehta of 200 Equity Shares, to Nimisha Joshi jointly with Sanjay Joshi of 1,000 Equity Shares, to Kavita Joshi jointly with Nimisha Joshi of 1,000 Equity Shares, to Yogesh Darji of 200 Equity Shares, to Chanchalben Darji jointly with Nayna Darji of 300 Equity Shares, to Nayna Darji of 200 Equity Shares, to Kamlesh Vora of 700 Equity Shares, to Vishal Mehta jointly with Kamlesh Mehta of 1,000 Equity Shares, to Kunal Mehta jointly with Ila Mehta of 1,000 Equity Shares, to Ila Mehta jointly with Kamlesh Mehta of 1,000 Equity Shares, to Kamlesh Mehta jointly with Ila Mehta of 1,000 Equity Shares, to Ratilal Harkhani of 300 Equity Shares to Bhavnaben Dobariya of 500 Equity Shares, to Vithalbhai Dobariya of 500 Equity Shares, to Rupamkumar Patel of 300 Equity Shares and to Mohan Chaklasiya HUF of 200 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 90/- each.
- (xii) Bonus Issue of 20,92,700 Equity Shares of Rs. 10/- each in the ratio of 1 Bonus Equity Share for every 2 Equity Share held to 403 allottees.
- (xiii) Rights issue of 3,71,600 Equity shares of Face Value Rs. 10/- each fully paid at an issue price of Rs. 100/- each (including premium of Rs. 90/- per share) in the ratio of 1:16 (every equity share holder holding 16 equity shares of the Company is offered 1 share at par) was given to all the existing shareholders.
- (xiv) Bonus Issue of 33,24,850 Equity Shares of Rs. 10/- each in the ratio of 1 Bonus Equity Share for every 2 Equity Shares held to 1,076 allottees.
- (xv) Bonus Issue of 19,94,910 Equity Shares of Rs. 10/- each in the ratio of 1 Bonus Equity Share for every 5 Equity Shares held to 1,102 allottees.  
Bonus Issue of 23,93,892 Equity Shares of Rs. 10/- each in the ratio of 1 Bonus Equity Share for every 5 Equity Shares held to 1,117 allottees.

3. Our Company has not issued any Equity Shares for consideration other than cash except following:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Benefits accrued to the Company	Reasons of Allotment	No. of allottees
July 16, 2008	18,42,300	10	NA	Nil	Bonus Issue	Bonus Issue to Himanshu Zota of 3,24,300 Equity Shares, Kamlesh Zota of 1,98,720 Equity Shares, Ketankumar Zota of 3,04,980 Equity Shares, Manukant Zota of 4,20,072 Equity Shares, Anila Zota of 1,46,556 Equity Shares, Ketankumar Chandulal Zota (HUF) of 1,38,000 Equity Shares, Manisha Zota of 1,69,740 Equity Shares, Manukant Chandulal Zota (HUF) of 21,252 Equity Shares, Varsha H. Zota of 1,17,852 Equity Shares, Vinodchandra Siriya of 138 Equity Shares and Ashok Zota of 690 Equity Shares.
September 12, 2009	20,80,200	10	NA	Nil	Bonus Issue	Shareholders as on September 12, 2009
September 29, 2010	20,92,700	10	NA	Nil	Bonus Issue	Shareholders as on September 29, 2010
September 27, 2011	33,24,850	10	NA	Nil	Bonus Issue	Shareholders as on September 27, 2011
October 1, 2012	19,94,910	10	NA	Nil	Bonus Issue	Shareholders as on October 1, 2012
October 7, 2014	23,93,892	10	NA	Nil	Bonus Issue	Shareholders as on October 7, 2014

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.

- 5. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- 6. No shares have been issued at price below Issue Price within last one year from the date of this Red Herring Prospectus.

#### 7. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

##### i. Build-up of Promoters Shareholding

As on the date of this Red Herring Prospectus, our Promoters, Himanshu Zota, Kamlesh Zota, Ketankumar Zota and Manukant Zota hold 86,41,541 Equity Shares i.e. 60.16% of pre-issue Equity Shares of our Company.

**a. Himanshu Zota**

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %	Lock-in Period	Pledge
June 29, 2000	100	10	10	Subscription to MoA	0.00%	0.00%	NA	No
July 14, 2000	400	10	10	Further Allotment	0.00%	0.00%	NA	No
June 11, 2001	15,500	10	10	Further Allotment	0.11%	0.09%	1 year	No
January 3, 2005	7,500	10	10	Further Allotment	0.05%	0.04%	1 year	No
July 16, 2008	3,24,300	10	NA	Bonus Issue	2.26%	1.85%	3 years	No
September 12, 2009	3,47,800	10	NA	Bonus Issue	2.42%	1.98%	3 years	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 29, 2010	2,90,000	10	NA	Bonus Issue	2.02%	1.65%	3 years	No
	57,500				0.40%	0.33%	1 year	No
September 27, 2011	5,21,250	10	NA	Bonus Issue	3.63%	2.97%	1 year	No
October 1, 2012	3,12,750	10	NA	Bonus Issue	2.18%	1.78%	1 year	No
October 7, 2014	3,75,300	10	NA	Bonus Issue	2.61%	2.14%	1 year	No
<b>Total</b>	<b>22,51,800</b>				<b>15.68%</b>	<b>12.84%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.

**b. Kamlesh Zota**

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %	Lock-in Period	Pledge
June 29, 2000	100	10	10	Subscription to MoA	0.00%	0.00%	NA	No
July 14, 2000	400	10	10	Further Allotment	0.00%	0.00%	NA	No
June 11, 2001	4,900	10	10	Further Allotment	0.03%	0.03%	1 year	No
January 3, 2005	9,000	10	10	Further Allotment	0.06%	0.05%	1 year	No
July 16, 2008	1,98,720	10	NA	Bonus Issue	1.38%	1.13%	3 years	No
September 12, 2009	2,13,120	10	NA	Bonus Issue	1.48%	1.21%	3 years	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	NA	Transfer by way of gift	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	NA	Transfer by way of gift	(0.00)%	(0.00)%	NA	No
September 29, 2010	1,80,000	10	NA	Bonus Issue	1.25%	1.03%	3 years	No
	32,820				0.23%	0.19%	1 year	No
September 27, 2011	3,19,230	10	NA	Bonus Issue	2.22%	1.82%	1 year	No
October 1, 2012	1,91,538	10	NA	Bonus Issue	1.33%	1.09%	1 year	No
October 7, 2014	2,29,846	10	NA	Bonus Issue	1.60%	1.31%	1 year	No
<b>Total</b>	<b>13,79,074</b>				<b>9.60%</b>	<b>7.86%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.

**c. Ketankumar Zota**

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %	Lock-in Period	Pledge
June 29, 2000	100	10	10	Subscription to MoA	0.00%	0.00%	NA	No
July 14, 2000	400	10	10	Further Allotment	0.00%	0.00%	NA	No
June 11, 2001	21,600	10	10	Further Allotment	0.15%	0.12%	1 year	No
July 16, 2008	3,04,980	10	NA	Bonus Issue	2.12%	1.74%	3 years	No
September 12, 2009	3,27,080	10	NA	Bonus Issue	2.28%	1.86%	3 years	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 29, 2010	2,70,000	10	NA	Bonus Issue	1.88%	1.54%	3 years	No
	56,780				0.40%	0.32%	1 year	No
September 27, 2011	4,90,170	10	NA	Bonus Issue	3.41%	2.79%	1 year	No
October 1, 2012	2,94,102	10	NA	Bonus Issue	2.05%	1.68%	1 year	No
January 9, 2014	(100)	10	100	Transfer	(0.00)%	(0.00)%	NA	No
January 9, 2014	(100)	10	100	Transfer	(0.00)%	(0.00)%	NA	No
January 9, 2014	(100)	10	100	Transfer	(0.00)%	(0.00)%	NA	No
January 9, 2014	(500)	10	100	Transfer	(0.00)%	(0.00)%	NA	No
January 9, 2014	(500)	10	100	Transfer	(0.00)%	(0.00)%	NA	No
October 7, 2014	3,52,662	10	NA	Bonus Issue	2.46%	2.01%	1 year	No
<b>Total</b>	<b>21,15,974</b>				<b>14.73%</b>	<b>12.06%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.

**d. Manukant Zota**

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %	Lock-in Period	Pledge
June 29, 2000	100	10	10	Subscription to MoA	0.00%	0.00%	1 year	No
July 14, 2000	400	10	10	Further Allotment	0.00%	0.00%	1 year	No
June 11, 2001	5,000	10	10	Further Allotment	0.03%	0.03%	1 year	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
September 21, 2006	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 15, 2007	(10)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
March 31, 2007	25,000	10	10	Further Allotment	0.17%	0.14%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post – issue shareholding %	Lock-in Period	Pledge
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
February 16, 2008	10	10	10	Transfer	0.00%	0.00%	1 year	No
July 16, 2008	4,20,072	10	NA	Bonus Issue	2.92%	2.39%	1 year	No
September 12, 2009	4,50,512	10	NA	Bonus Issue	3.14%	2.57%	1 year	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
December 15, 2009	(200)	10	10	Transfer	(0.00)%	(0.00)%	NA	No
May 25, 2010	(3,000)	10	10	Transfer	(0.02)%	(0.02)%	NA	No
May 25, 2010	(2,000)	10	10	Transfer	(0.01)%	(0.01)%	NA	No
May 25, 2010	(2,000)	10	10	Transfer	(0.01)%	(0.01)%	NA	No
September 29, 2010	4,46,712	10	NA	Bonus Issue	3.11%	2.55%	3 years	No
September 27, 2011	6,43,000	10	NA	Bonus Issue	4.48%	3.67%	3 years	No
	27,068				0.19%	0.15%	1 year	No
October 1, 2012	4,02,040	10	NA	Bonus Issue	2.80%	2.29%	1 year	No
October 7, 2014	4,82,449	10	NA	Bonus Issue	3.36%	2.75%	1 year	No
<b>Total</b>	<b>28,94,693</b>				<b>20.15%</b>	<b>16.50%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.

Of the above, 3,60,000 Equity Shares are offered for sale by Manukant Zota and same shall not be subject to lockin.

Our Promoters have provided their confirmations to our Company and the BRLMs that the Equity Shares held by them, which shall be locked-in for a period of three years as Promoter's contribution have been financed from their internal accruals and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. As of the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoters are subject to pledge.

**ii. Details of Promoter's Contribution locked in for three years:**

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations, an aggregate of 20% of the post-Issue capital held by our Promoter shall be considered as Promoters' Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.21% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment & when made fully paid up	No. of Shares Allotted / Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding
<b>Himanshu Zota</b>					
July 16, 2008	3,24,300	10	NA	Bonus Issue	1.85%
September 12, 2009	3,47,800	10	NA	Bonus Issue	1.98%
September 29, 2010	2,90,000	10	NA	Bonus Issue	1.65%
<b>Kamlesh Zota</b>					
July 16, 2008	1,98,720	10	NA	Bonus Issue	1.13%
September 12, 2009	2,13,120	10	NA	Bonus Issue	1.21%
September 29, 2010	1,80,000	10	NA	Bonus Issue	1.03%
<b>Ketankumar Zota</b>					
July 16, 2008	3,04,980	10	NA	Bonus Issue	1.74%
September 12, 2009	3,27,080	10	NA	Bonus Issue	1.86%
September 29, 2010	2,70,000	10	NA	Bonus Issue	1.54%
<b>Manukant Zota</b>					
September 29, 2010	4,46,712	10	NA	Bonus Issue	2.55%
September 27, 2011	6,43,000	10	NA	Bonus Issue	3.67%

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. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

- The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price
- Our Company has not been formed by the conversion of a partnership firm into a Company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm;
- The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoter are dematerialized; and
- The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

**iii. Details of Equity Shares locked-in for one year**

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

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

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoter's Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the offer.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

We further confirm that our Promoter's Contribution of 20.21% of the post Issue Equity Share Capital does not include any contribution from Alternative Investment Fund.

## 8. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SME Equity Listing Regulation, as on the date of this Red Herring Prospectus:-

### i. Summary of Shareholding Pattern

Category	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares**		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form***	
								No of Voting Rights	Total as a % of (A+B+C )			No. (a)	As a % of total Shares held (b)			
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	36	1,28,74,988	-	-	1,28,74,988	89.64	1,28,74,988	89.64	-	89.64	-	-	-	-	1,28,74,988
B	Public	1,133	14,88,364	-	-	14,88,364	10.36	14,88,364	10.36	-	10.36	-	-	-	-	3,95,536
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	1,169	1,43,63,352	-	-	1,43,63,352	100.00	1,43,63,352	100.00	-	100.00	-	-	-	-	1,32,70,524

\*As on the date of this Red Herring Prospectus 1 Equity Shares holds 1 vote.

\*\*All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on Emerge Platform of National Stock Exchange of India Limited.

## Shareholding pattern of Promoter and Promoter Group

Sr . N o.	Category of Shareholde r	PA N	Nos. of sharehold ers	No. of fully paid up equity shares held	No. of Partl y paid -up equit y shar es held	No. of shares underlyi ng Deposito ry Receipts	Total nos. shares held	Sharehold ing as a % of total no. of shares (calculate d as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlyin g Outstandi ng convertible securities (including Warrants )	Sharehold ing , as a % assuming full conversion of convertible securities ( as a percentag e of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerializ ed form***
									No of Voting Rights	Total as a % of (A+B+ C)			N o. (a)	As a % of total Shar es held (b)	N o. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+V I	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	<b>Indian</b>																
(a)	Individuals / Hindu undivided Family		36	1,28,74,9 88	-	-	1,28,74,9 88	89.64	1,28,74,9 88	89.64	-	89.64	-	-	-	-	1,28,74,988
(b)	Central Government / State Government (s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Body Corporate)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>		36	1,28,74,9 88	-	-	1,28,74,9 88	89.64	1,28,74,9 88	89.64	-	89.64	-	-	-	-	1,28,74,988
(2)	<b>Foreign</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr . N o.	Category of Shareholder	PA N	Nos. of sharehold ers	No. of fully paid up equity shares held	No. of Partl y paid -up equit y shar es held	No. of shares underlyi ng Deposito ry Receipts	Total nos. shares held	Sharehold ing as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlyin g Outstanding convertible securities (including Warrants )	Sharehold ing , as a % assuming full conversion of convertible securities ( as a percentag e of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			N o. (a)	As a % of total Shar es held (b)	N o. (a)	As a % of total Shares held (b)	
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>		-	36	1,28,74,988	-	-	1,28,74,988	89.64	1,28,74,988	89.64	-	89.64	-	-	-	-	1,28,74,988

**ii. Shareholding pattern of the Public shareholder**

Sr . No	Category of Shareholder	P A N	Nos. of sharehold ers	No. of fully paid up equity shares held	No. of Partl y paid- up equit y shar es held	No. of shares under lying Depos itory Recei pts	Total nos. shares held	Shareholdi ng as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlyin g Outstandi ng convertible securities (including Warrants )	Shareholdi ng, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares*		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form***	
									No of Votin g Right s	Total as a % of (A+B+ C)			No . (a)	No . (a)	No . (a)		
	I	I I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	<b>Sub-Total (B) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-Institutions</b>																
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to of Rs. 2 lakhs	-	1,126	12,38,5 84	-	-	12,38,584	8.62	12,38,58 4	8.62	-	8.62	-	-	-	-	3,94,888
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	5	2,27,53 2	-	-	2,27,532	1.58	2,27,532	1.58	-	1.58	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate	-	2	22,248	-	-	22,248	0.15	22,248	0.15	-	0.15	-	-	-	-	648
	<b>Sub Total (B)(3)</b>	-	1,133	14,88,3 64	-	-	14,88,364	10.36	14,88,36 4	10.36	-	10.36	-	-	-	-	3,95,536
	<b>Total Shareholding of Public (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	1,133	14,88,3 64	-	-	14,88,364	10.36	14,88,36 4	10.36	-	10.36	-	-	-	-	3,95,536

**iii. Shareholding pattern of the Non Promoter – Non Public shareholder**

	Category of Shareholder	PA N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***					
									No of Voting Rights				Total as a % of (A+B+C)	Class eg: X	Class eg: Y	Total	N o. (a)	As a % of total Shares held (b)	N o. (a)	As a % of total Shares held (b)		
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI = VII + X	XII		XIII		XIV					
(1 )	Custodian / DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
(a )	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	<b>Sub total (C)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
(2 )	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	<b>Sub total (C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	<b>Total Non-Promoter</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					

Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***					
								No of Voting Rights				Total as a % of (A+B+C)	Class eg: X	Class eg: Y	Total	N o. (a)	As a % of total Shares held (b)	N o. (a)	As a % of total Shares held (b)		
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI = VII + X	XII		XIII		XIV				
Non-Public Shareholding (C) = (C)(1)+(C)(2)																					

Note: PAN of the Shareholders have been provided by our Company prior to Listing of Equity Shares on the Stock Exchange.

\*\*\*In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to the listing of Equity Shares. Number of Equity Shares held in dematerialised form by public shareholders updated as on April 14, 2017.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Emerge Platform of National Stock Exchange of India Limited before commencement of trading of such Equity Shares.

9. Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group":

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
<b>Promoters</b>					
1.	Manukant Zota*	28,94,693	20.15	25,34,693	14.45
2.	Himansubhai Zota	22,51,800	15.68	22,51,800	12.84
3.	Ketankumar Zota	21,15,974	14.73	21,15,974	12.06
4.	Kamlesh Zota	13,79,074	9.60	13,79,074	7.86
	<b>Sub- Total</b>	<b>86,41,541</b>	<b>60.16</b>	<b>82,81,541</b>	<b>47.21</b>
<b>Promoter Group</b>					
5.	Manishaben Zota*	11,79,619	8.21	8,79,619	5.01
6.	Anilaben Zota	10,18,500	7.09	10,18,500	5.81
7.	Ketankumar Chandulal Zota (HUF)*	9,59,040	6.68	4,79,040	2.73
8.	Varshaben Zota*	8,19,023	5.70	4,59,023	2.62
9.	Manukant Zota ( HUF)	1,47,691	1.03	1,47,691	0.84
10.	Heli Shah	21,600	0.15	21,600	0.12
11.	Ashokkumar Zota	6,402	0.04	6,402	0.04
12.	Halchand Mehta	1,444	0.01	1,444	0.01
13.	Pushpaben Doshi	2,568	0.02	2,568	0.01
14.	Krinal Ankhad	6,168	0.04	6,168	0.04
15.	Praful Vora	7,236	0.05	7,236	0.04
16.	Ratilal Vora	2,400	0.02	2,400	0.01
17.	Manisha Mehta	8,424	0.06	8,424	0.05
18.	Kinjal Mehta	18,360	0.13	18,360	0.10
19.	Nitaben Mehta	4,056	0.03	4,056	0.02
20.	Champaben Mehta	648	0.00	648	0.00
21.	Hetal Shah	1,752	0.01	1,752	0.01
22.	Shripal Mehta	1,728	0.01	1,728	0.01
23.	Himanshu Zota (HUF)	9,456	0.07	9,456	0.05
24.	Dhara Zota	1,248	0.01	1,248	0.01
25.	Dimple Shah	648	0.00	648	0.00
26.	Harshaben Siriya	648	0.00	648	0.00
27.	Niruben Mehta	6,480	0.05	6,480	0.04
28.	Chandrika Shah	216	0.00	216	0.00
29.	Rajnikant Mehta	432	0.00	432	0.00
30.	Kumarpal Mehta	648	0.00	648	0.00
31.	Anjnaben Gandhi	288	0.00	288	0.00
32.	Suresh Mehta	1,228	0.01	1,228	0.01
33.	Induben Zota	1,200	0.01	1,200	0.01
34.	Viren Zota	600	0.00	600	0.00
35.	Nirmalaben Shah	768	0.01	768	0.00
36.	Rasilaben V Siriya	2,928	0.02	2,928	0.02
	<b>Sub- Total</b>	<b>42,33,447</b>	<b>29.47</b>	<b>30,93,447</b>	<b>17.63</b>
	<b>Total</b>	<b>1,28,74,988</b>	<b>89.64</b>	<b>1,13,74,988</b>	<b>64.84</b>

\*Manukant Zota, Manishaben Zota, Ketankumar Chandulal Zota (HUF) and Varshaben Zota are the selling shareholders.

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Himansubhai Zota	22,51,800	0.10
Kamlesh Zota	13,79,074	0.10
Ketankumar Zota	21,15,974	0.04
Manukant Zota	28,94,693	0.08

**11. No persons belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.**

**12. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red Herring Prospectus are set forth below:**

**a. Particulars of the top ten shareholders as on the date of filing this Red Herring Prospectus:**

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Manukant Zota	28,94,693	20.15%
2.	Himansubhai Zota	22,51,800	15.68%
3.	Ketankumar Zota	21,15,974	14.73%
4.	Kamlesh Zota	13,79,074	9.60%
5.	Manishaben Zota	11,79,619	8.21%
6.	Anilaben Zota	10,18,500	7.09%
7.	Ketankumar Chandulal Zota (HUF)	9,59,040	6.68%
8.	Varshaben Zota	8,19,023	5.70%
9.	Manukant Zota ( HUF)	1,47,691	1.03%
10.	Jamnadas Chandak	1,05,900	0.74%
<b>Total</b>		<b>1,28,71,314</b>	<b>89.61%</b>

**b. Particulars of top ten shareholders ten days prior to the date of filing this Red Herring Prospectus:**

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Manukant Zota	28,94,693	20.15%
2.	Himansubhai Zota	22,51,800	15.68%
3.	Ketankumar Zota	21,15,974	14.73%
4.	Kamlesh Zota	13,79,074	9.60%
5.	Manishaben Zota	11,79,619	8.21%
6.	Anilaben Zota	10,18,500	7.09%
7.	Ketankumar Chandulal Zota (HUF)	9,59,040	6.68%
8.	Varshaben Zota	8,19,023	5.70%
9.	Manukant Zota ( HUF)	1,47,691	1.03%
10.	Jamnadas Chandak	1,05,900	0.74%
<b>Total</b>		<b>1,28,71,314</b>	<b>89.61%</b>

**c. Particulars of the top ten shareholders two years prior to the date of filing of this Red Herring Prospectus:**

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Manukant Zota	28,94,693	20.15%
2.	Himansubhai Zota	22,51,800	15.68%
3.	Ketankumar Zota	21,15,974	14.73%
4.	Kamlesh Zota	13,79,074	9.60%
5.	Manishaben Zota	11,79,619	8.21%
6.	Anilaben Zota	10,18,500	7.09%
7.	Ketankumar Chandulal Zota (HUF)	9,59,040	6.68%
8.	Varshaben Zota	8,19,023	5.70%
9.	Manukant Zota ( HUF)	1,47,691	1.03%
10.	Jamnadas Chandak	1,05,900	0.74%
<b>Total</b>		<b>1,28,71,314</b>	<b>89.61%</b>

13. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
14. Neither the BRLMs nor their associates hold any Equity Shares of our Company as on the date of the Red Herring Prospectus.
15. Under-subscription in the net offer, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the BRLMs in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received from them at or above the Offer Price..
16. As on the date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under the Companies Act.
17. Except as disclosed below, none of the members of the Promoter Group, the Promoters and its Directors, or our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the Stock Exchange:

Date of Transfer	Transferor Name	Transferee Name	Number of Equity Shares	Face Value (Rs.)	Transfer Price (Rs.)
October 27, 2016	Vinodchandra Siriya	Rasilaben V. Siriya	2,928	10	100

18. There are no Equity Shares against which depository receipts have been issued.
19. Other than the Equity Shares, there is no other class of securities issued by our Company.
20. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Offer/Issue, by way of split / consolidation of the denomination of Equity Shares. However our

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

21. None of the persons / entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity / individual or otherwise during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.
22. Our Company, our Promoters, our Directors and the BRLMs have not entered into any buy-back or standby or similar arrangements such as / safety net arrangements for the purchase of Equity Shares being offered through the Offer from any person.
23. There are no safety net arrangements for this public offer.
24. An over-subscription to the extent of 10% of the Offer to the Public can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalising the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Offer paid-up capital is locked in.
25. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
26. As on date of this Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
27. All the Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of the Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be offered/ issued fully paid-up equity shares.
28. As per RBI regulations, OCBs are not allowed to participate in this Offer.
29. Our Company has not raised any bridge loans against the proceeds of the Offer.
30. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
31. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
32. An Applicant cannot make an application for more than the number of Equity Shares being offered/ issued through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
33. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
34. We have 1,169 (One thousand one hundred and sixty nine) shareholders as on the date of filing of this Red Herring Prospectus.
35. Our Promoters (other than Manukant Zota who is a Promoter Selling Shareholder) and the members of our Promoter Group (other than Ketankumar Chandulal Zota (HUF), Varshaben Zota and Manisha Zota who are Promoter Group Selling Shareholders) and the BRLMs will not participate in this Offer.
36. Our Company has not made any public issue since its incorporation.

37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing the Red Herring Prospectus and the Bid/ Offer Closing Date shall be reported to the Stock Exchange where the Equity Shares of the Company are listed, within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group, Group Companies for the financial period ended December 31, 2016 & financial years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 please refer to paragraph titled ‘Related Parties Transactions as Restated’ in the chapter titled “Financial Statements as Restated” on page 214 of this Red Herring Prospectus. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page 192 of the Red Herring Prospectus.

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

### **The Offer for Sale**

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders.

### **The Fresh Issue**

The objects to the Net Proceeds of the Fresh Issue are:

1. Repayment/prepayment of certain borrowings availed by our Company
2. Working Capital requirement
3. General Corporate Purposes.

We believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Offer. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### **Offer Proceeds**

The details of the offer proceeds are summarised below:

Particulars	Amount (Rs in Lakhs)*
Gross Proceeds of the Offer	[●]
Proceeds of the Offer for Sale	[●]
Less: Offer expenses to be borne by our Company**	[●]
<b>Net Proceeds of the Fresh Issue (excluding the proceeds of the Offer for Sale and the Offer Expenses) ("Net Proceeds")</b>	[●]

\* To be finalised upon determination of Offer Price.

\*\*All expenses with respect to the Offer will be shared between the Selling Shareholders and the Company, in proportion to the Equity Shares being offered by them through the Offer.

### **Utilisation of Net Proceeds**

We intend to utilise the Net Proceeds in the manner set below:

Sr. No.	Particulars	Amount (Rs in Lakhs)	Percentage of Net Proceeds
1.	Repayment/prepayment of certain borrowings availed by our Company	330.00	[●]%
2.	Working capital requirement	2,700.00	[●]%
3.	General Corporate Purpose*	[●]	[●]%
	<b>Total</b>	[●]	[●]%

\*To be finalized upon determination of the Offer Price.

### **FUND REQUIREMENTS**

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

### **Means of Finance**

The requirements of the objects detailed above are intended to be funded from the Proceeds of the offer and Internal Accruals. Accordingly, we confirm that there is no requirement for us 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 proposed fresh Issue.

While we intend to utilise the Offer Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

### **Repayment/ Prepayment of certain borrowings availed by our Company;**

Our business is capital intensive and we avail majority of our fund requirements in the ordinary course of business from various banks, financial institutions and unsecured loans from related parties. For further details of the loans availed by our Company, see chapter titled “Financial Indebtedness” on page 326 of this Red Herring Prospectus.

As on April 17, 2017, with respect to the loan proposed to be repaid from Net Proceeds, our Company had outstanding indebtedness amounting to Rs. 330.95 lakhs as confirmed by the Statutory Auditor M/s. Pradeep K. Singhi & Associates, Chartered Accountants vide Certificate dated April 18, 2017. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity.

The selection of the belowmentioned facility proposed to be repaid or pre-paid is based on various factors, including (i) conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (ii) terms and conditions of consents and waivers, (iii) levy of any prepayment penalties and the quantum thereof, (iv) provisions of any laws, rules and regulations governing the borrowings, and (v) other commercial considerations including, among others, the interest rate on the loan facilities, the amount of the loan outstanding and the remaining tenor of the loans. Payment of pre-payment penalty or premium, if any, shall be made out of the Net Proceeds. In the event that the Net Proceeds are insufficient for such pre-payment penalty, the payment shall be made from the existing internal accruals of our Company. We may also be required to provide notice prior to such repayment/ pre-payment.

The details of the repayment of loans are provided below:

(Rs. In Lakhs)

Name of Lender	Amount Outstanding as on April 17, 2017	Nature of facility	Rate Of Interest	Security	Tenure* *	Purpose	Utilisation	Repayment from the Net Proceeds of the Issue
Axis Bank Limited	330.95	Cash credit facility	Base Rate + 3% (the base rate applicable at present being 9.50% p.a.)	Secured Loan *	12 Months from the date of sanction	Working Capital	Working Capital	330.00

\*For details regarding security against bank loan, please refer chapter titled "Financial Indebtedness" beginning on page 326 of this Red Herring Prospectus.

\*\* AXIS Bank Limited vide its letter dated February 21, 2017 has provided extension of Limit for a period of 3 months (May 16, 2017) from the date of expiry.

We may repay the above loan, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the Net Proceeds.

### Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirements from bank funding, internal accruals and other sources.

As on March 31, 2015 and March 31, 2016 our Company's net working capital consisted of Rs. 1,507.91 Lakhs and Rs. 1,559.26 Lakhs respectively, based on the restated financial statements.

The total working capital requirement for the year 2016-17 is estimated to be Rs. 2,216.26 lakhs and for the year 2017-18 is expected to be Rs. 5,948.35 lakhs. Out of total working capital requirement for FY 2017-18, working capital requirement to the extent of Rs. 2,700.00 lakhs will be met through the Net Proceeds and the balance portion will be met through internal accruals/ owned funds.

### Basis of estimation of working capital requirement

The details of our Company's working capital requirement and funding of the same based on the restated standalone financial statements as at March 31, 2015 and March 31, 2016 are as set out in the table below:

Amount (Rs. In Lakhs)

Particulars	As on March 31	
	2015	2016
<b>Current Assets</b>		
Inventories		
Raw material	61.10	57.68
Work in Progress	9.23	9.19
Finished goods/ Stock-in-trade	1,691.94	1,566.37
Trade Receivables	1,169.05	1,577.64
Cash and Bank Balance	16.38	75.62
Short term loans & advances & other current assets	46.68	12.86
<b>Total (A)</b>	<b>2,994.37</b>	<b>3,299.37</b>

<b>Current Liabilities</b>		
Trade Payables	1,171.25	1,460.45
Other Current Liabilities & short term provisions	315.21	279.66
<b>Total (B)</b>	<b>1,486.46</b>	<b>1,740.11</b>
<b>Net Working Capital (A)-(B)</b>	<b>1,507.91</b>	<b>1,559.26</b>

The details of our Company's expected working capital requirement as at March 31, 2017 and March 31, 2018 is set out in the table below:

Particulars	<i>Amount (Rs. In Lakhs)</i>	
	<b>2016-17 (Estimated)</b>	<b>2017-18 (Estimated)</b>
<b>Current Assets</b>		
Inventories		
Raw material	93.76	218.87
Work in Progress	17.34	103.25
Finished goods/Stock-in-trade	2,207.76	5,435.55
Trade Receivables	1,650.00	2,925.00
Cash and Bank Balance	312.00	268.10
Short term loans & advances and other current assets	235.00	423.00
<b>Total (A)</b>	<b>4,515.86</b>	<b>9,373.77</b>
<b>Current Liabilities</b>		
Trade Payables	1,500.00	3,100.68
Other Current Liabilities & Provisions	799.60	324.74
<b>Total (B)</b>	<b>2,299.60</b>	<b>3,425.42</b>
<b>Net Working Capital (A)-(B)</b>	<b>2,216.26</b>	<b>5,948.35</b>
<b>Proposed Funding Pattern</b>		
Existing Working Capital Funding from Banks	163.90	-
Internal Accruals/ Owned Funds	2,052.36	3,248.35
Issue Proceeds	-	2,700.00
<b>Total Source</b>	<b>2,216.26</b>	<b>5,948.35</b>

\*Incremental Working capital is calculated by subtracting the Current year working capital from previous year net working capital.

#### Assumption for working capital requirements

Assumptions for Holding Levels\*

*(In months)*

Particulars	Holding Level as of March 31, 2015	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017 (Estimated)	Holding Level as of March 31, 2018 (Estimated)
<b>Current Assets</b>				
Inventories*				
Raw material	0.17	0.17	0.23	0.25
Work in Progress	0.02	0.02	0.03	0.10
Finished Goods	3.34	2.86	3.40	4.50
Trade Receivables	2.48	2.94	2.77	3.00
<b>Current Liabilities</b>				
Trade Payables	3.29	4.29	3.65	3.50

Our Company proposes to utilize Rs. 2,700.00 lakhs of Net Proceeds towards working capital requirements for meeting our business requirements.

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in Financial Year 2017-18 considering the growth in activities of our Company. Our Company has assumed raw material inventory of 0.25 month, work in progress inventory of 0.10 month and finished goods inventory of 4.50 months for the Financial Year 2017-2018.

Our Debtors cycle was of about 2.48 months and 2.94 months in Financial Year 2014-15 and 2015-2016. We have assumed that our debtor's cycle will be 3.00 months for Financial Year 2017-18. Similarly we have estimated current assets, trade payables, current liabilities and short term provisions in line with working capital employed in past years and expected to be employed in Financial Year 2017-18.

#### ***Justification for “Holding Period” levels***

**The justifications for the holding levels mentioned in the table above are provided below:**

Assets- Current Assets	
<b>Inventories</b>	We have assumed raw material inventory period of 0.25 months in FY 2017-18 against 0.17 months in FY 2015-16 and estimated 0.23 months in FY 2016-17 as the existing capacity will increase due to receipt of product approvals for exports in FY 2017- 18. We have assumed finished goods inventory days of 4.50 months in FY 2017-18 as against 2.86 months in FY 2015-16 and estimated 3.40 months in FY 2016-17 as the Company plans to expand its market for generic products and scale its operations.
<b>Trade receivables</b>	In FY 2017-18 the trade receivable holding period is estimated to slightly increase from 2.94 months in F.Y. 2015-16 and estimated 2.77 months in FY 2016-17 to 3.00 months. The increase is due to expected increase in operations and tapping of new customers.
<b>Liabilities– Current Liabilities</b>	
<b>Trade Payables</b>	In FY 2017-18, the credit period is expected to be 3.50 months as compared to 4.29 months in FY 2015-16 and estimated 3.65 months in FY 2016-17, as the Company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and to ensure continued relation with the existing suppliers.

Pursuant to the certificate dated April 18, 2017, M/s. Pradeep K. Singhi & Associates, Chartered Accountants, have compiled the working capital estimates from the Restated Financial Statements and the working capital projections as approved by the Board by the resolution dated April 12, 2017.

#### **GENERAL CORPORATE PURPOSES**

Our Company proposes to deploy the balance Net Proceeds aggregating Rs [●] lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

#### **OFFER RELATED EXPENSES**

The expenses for this Offer include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Offer are estimated not to exceed Rs. [●] Lakhs.

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[●]	[●]	[●]
Regulatory fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

*\*As on date of the Red Herring Prospectus, our Company has incurred Rs. 123.24 Lakhs towards Offer Expenses out of internal accruals.*

*\*\*SCSBs will be entitled to a processing fee of Rs. 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.*

*Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.01% on the Allotment Amount# or Rs 100/- whichever is less on the Applications wherein shares are allotted.*

*The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*

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

#### **SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:**

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the financial year 2017-18.

Activity	Total Amount (Rs in Lakhs)	Amount incurred till date	Estimated deployment of the Issue Proceeds FY 2017-2018
Repayment/prepayment of certain borrowings	350.00	[●]	[●]
Working Capital Requirements	2,700.00	[●]	[●]
General Corporate Purposes	[●]	[●]	[●]

Our Statutory Auditors, Pradeep K. Singhi & Associates, Chartered Accountants vide their certificate dated April 18, 2017 have confirmed that the following funds have been deployed towards offer expenses as on the date of the Red Herring Prospectus.

Amount (Rs in Lakhs)

Source	Amount
Internal accruals	123.24

Our Management, in accordance with the policies setup by the Board, will have flexibility in deploying the Net Proceeds.

#### **BRIDGE FINANCING**

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

#### **APPRAISAL BY APPRAISING AGENCY**

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

## **INTERIM USE OF FUNDS**

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

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

## **MONITORING UTILIZATION OF FUNDS**

As the size of the Fresh Issue does not exceed Rs. 50,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

## **VARIATION IN OBJECTS**

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

Investors may note that the Selling Shareholders are not liable under Section 27 of the Companies Act or any other applicable law or regulation (including any direction or order by any regulatory authority, court or tribunal) for any variation of (i) terms of a contract referred to in this Draft Red Herring Prospectus; and/or (ii) objects of the Offer.

## **OTHER CONFIRMATIONS**

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

## BASIS FOR OFFER PRICE

The Offer Price of Rs. [•] per Equity Share will be determined by the Company, Selling Shareholder, in consultation with the BRLMs' on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Offer Price will be [•] times of the face value at the lower end of the Price Band and [•] times the face value at the higher end of the Price Band.

### QUALITATIVE FACTORS

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

- Our Patented products
- Experienced promoters and management team
- Product Range
- Global Presence
- Marketing Rights of Astra IDL
- Distribution Channel
- In-house Quality Check
- Research and Development

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 155 of this Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2014, 2015, 2016 and the period ended December 31, 2016 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2014	2.18	1
March 31, 2015	2.97	2
March 31, 2016	3.61	3
<b>Weighted average</b>	<b>3.16</b>	
<b>For the period ended December 31, 2016*</b>	<b>2.74</b>	

\*Not Annualised

#### Note:-

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.

#### 2. Price to Earnings (P/E) ratio in relation to Price Band of Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each fully paid up.

Particulars	P/E Ratio on Cap Price	P/E Ratio on Floor Price
P/E ratio based on Basic EPS for FY 2015-16	[•]	[•]
P/E ratio based on Weighted Average EPS	[•]	[•]
<b>*Industry P/E</b>		
Lowest		20.08
Highest		75.11
Average		38.84

\*Industry Composite comprises of Gufic Biosciences Limited, Bal Pharma Limited, Jenburkt Pharmaceuticals Limited, Makers Laboratories Limited, Jagsonpal Pharmaceuticals Limited and Alembic Limited

### 3. Return on Net worth (RoNW)

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

Year ended	RoNW (%)	Weight
March 31, 2014	20.05	1
March 31, 2015	23.54	2
March 31, 2016	24.05	3
<b>Weighted Average</b>		<b>23.21</b>
<b>For the period ended December 31, 2016*</b>		<b>15.45</b>

\*Not Annualised

**Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/period excluding miscellaneous expenditure to the extent not written off.

### 4. Minimum Return on Total Net Worth post offer needed to maintain Pre Offer EPS for the year ended March 31, 2016

Particulars	Amount (in Rs.)
At Floor Price	[•]
At Cap Price	[•]

### 5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2016	15.01
Net Asset Value per Equity Share as of December 31, 2016	17.75
Net Asset Value per Equity Share after the Offer	[•]
Offer Price per equity share	[•]

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.

Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

### 6. Comparison with other listed companies

Companies	CMP	EPS	PE Ratio	RONW %	NAV (Per Share)	Face Value	Total Income (In Crores)
Zota Health Care Limited	[•]	3.61	[•]	24.05%	15.01	10.00	64.81
<b>Peer Group*</b>							
Gufic Biosciences Limited	71.35	0.95	75.11	21.57%	4.39	1	202.86
Bal Pharma Limited	91.55	2.18	42.00	5.13%	42.48	10	199.15
Jenburkt Pharmaceuticals Limited	465.40	23.18	20.08	26.82%	86.44	10	96.32
Makers Laboratories Limited	101.00	4.69	21.54	8.76%	53.57	10	62.03
Jagsonpal Pharmaceuticals Limited	39.10	1.24	31.53	3.59%	34.55	5	144.14
Alembic Limited	39.35	0.92	42.77	8.53%	10.84	2	152.41

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

**Notes:**

- Considering the nature of business of the Company the peer are not strictly comparable. However same have been included for broad comparison.
- The figures for Zota Health Care Limited are based on the restated results for the year ended March 31, 2016
- The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2016
- Current Market Price (CMP) is the closing prices of respective scripts as on April 10, 2017
- P/E Ratio has been computed as the closing prices of the Companies sourced from the BSE/National Stock Exchange of India Limited website as on April 10, 2017 as divided by the respective Basic EPS provided under note.
- The Offer Price of Rs. [•]/- per equity share will be determined by the company and the selling shareholders in consultation with the BRLMs on the basis of assessment of market demand from investors for the Equity shares by way of Book Building and is justified based on the above accounting ratios.

For further details see section titled “*Risk Factors*” beginning on page 20 and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 214 of this Red Herring Prospectus for a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFITS

### The Board of Directors

### ZOTA HEALTH CARE LIMITED

"Zota House" 2/896, Building No. 'B',  
2nd Floor, Hira Modi Street,  
Sagarpura , Surat.

Dear Sirs,

**Sub: Statement of possible special tax benefits ("the Statement") available to Zota Health Care Limited ('the Company') and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ("the Regulations")**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act') as amended by the Finance Act, 2016 (i.e. applicable to Financial Year 2016-17 & 2017-18 relevant to Assessment Year 2017-18 & 2018-19), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover special tax benefits only available to the Company and its Shareholders and do not cover any general tax benefits available to the Company or its Shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

\*No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

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

**Pradeep K. Singhi & Associates  
Chartered Accountants**

**CA. Pradeep Kumar Singhi  
Partner  
M. No. 200/24612  
Firm No. 126027W**

**Place: Surat  
Date: March 03, 2017**

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17 and 2017-18.

**A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")**

1. As per section 10AA of the I.T. Act, the Company is entitled to deduction of 100% of the profits and gains derived from export of manufactured or produced articles or things or any services from its unit set up in Special Economic Zone (SEZ) for a period of 5 consecutive assessment years beginning with the assessment year relevant to the previous year in which such unit begins to manufacture or produce such articles or things or provide services, as the case may be, and 50% of such profits and gains for further 5 consecutive assessment years.

Further, for the next 5 consecutive assessment years, the Company is entitled to deduction of such amount not exceeding 50% of the profit as is debited to Profit & Loss Account of the previous year in respect of which the deduction is to be allowed and credited to a special reserve viz. "Special Economic Zone Reinvestment Reserve Account" to be created and utilized for the purpose of the business of the Company in the manner laid down in section 10AA (2).

**B. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE CUSTOMS ACT, 1962 OR THE CUSTOM TARIFF ACT, 1975 (THE "ACT")**

All the on goods imported into, or services provided in, a Special Economic Zone or a Unit to carry on the authorised operations by the Developer or entrepreneur are exempt from any duty of customs.

All the goods exported from, or services provided, from a Special Economic Zone or from a Unit, to any place outside India are exempt from any duty of customs.

**C. SPECIAL TAX BENEFITS TO THE COMPANY UNDER CENTRAL EXCISE ACT, 1944 OR THE CENTRAL EXCISE TARIFF ACT, 1985 (THE "ACT")**

All the goods brought from Domestic Tariff Area to a Special Economic Zone or Unit, to carry on the authorized operations by the Developer or entrepreneur are exempt from any duty of excise.

**D. SPECIAL TAX BENEFITS TO THE COMPANY UNDER SERVICE TAX UNDER CHAPTER-V OF THE FINANCE ACT, 1994**

All taxable services provided to a Developer or Unit to carry on the authorized operations in a Special Economic Zone are exempt from service tax under Chapter-V of the Finance Act, 1994.

**E. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")**

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

## SECTION IV– ABOUT THE COMPANY

### OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 214 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

#### INTRODUCTION TO THE INDIAN PHARMACEUTICAL INDUSTRY

Indian pharmaceutical sector accounts for about 2.4 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms and is expected to expand at a Compound Annual Growth Rate (CAGR) of 15.92 per cent to US\$ 55 billion by 2020 from US\$ 20 billion in 2015.

With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. By 2016, India is expected to be the third-largest global generic Active Pharmaceutical Ingredient (API) merchant market. The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world’s leader in Drug Master Files (DMFs) applications with the US.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. Pharmaceuticals Exports Promotion Council (Pharmexcil) expects pharmaceutical exports to reach US\$ 25 billion in 2015.

The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The ‘Pharma Vision 2020’ by the government’s Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

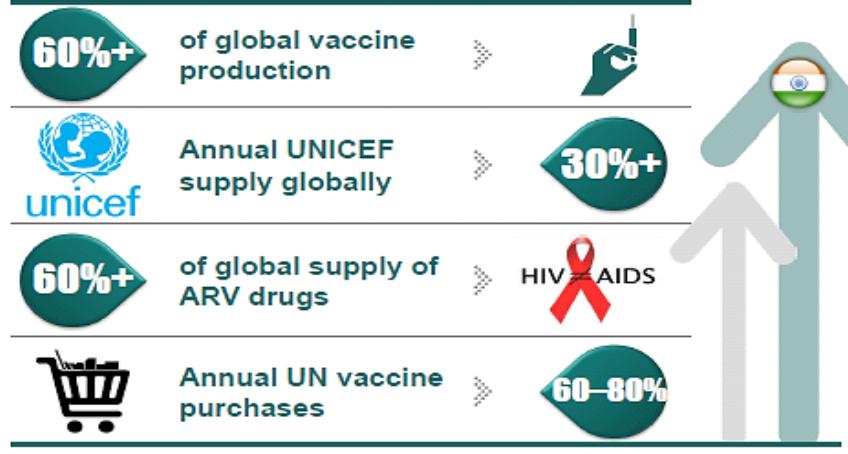
(Source: Indian Pharmaceuticals Industry Analysis -India Brand Equity Foundation- [www.ibeg.org](http://www.ibeg.org))

#### INDIAN PHARMACEUTICAL INDUSTRY: OVERVIEW

Indian pharmaceuticals industry is globally respected and is one of the most successful industries in India. It has contributed immensely to Indian’s healthcare outcomes and economy. In addition to helping ensure affordable and accessible medicines in the far reaches of India, it also generates employment, directly or indirectly hiring around 2.5 million people.

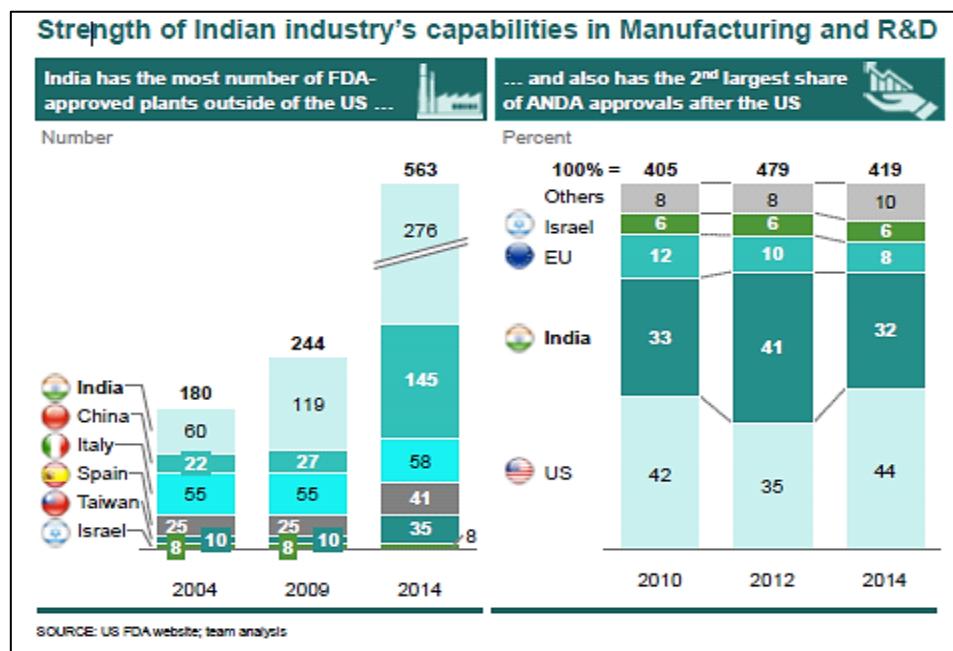
#### STEADY POSITION IN INFRASTRUCTURE AND CAPABILITIES

Affordability and accessibility of India pharma products has improved in domestic as well as international markets. The industry’s strong initiatives to drive access and awareness across all regions of the country have resulted in around 50 per cent higher drug penetration in rural India. India continues to be the primary supplier of essential medications for numerous disease areas worldwide, helping save millions of lives every year. (Exhibit 1)

**EXHIBIT 1**
**Indian Industry's contribution to drug access, both in India and globally**

**STRONG POSITION IN INFRASTRUCTURE AND CAPABILITIES**

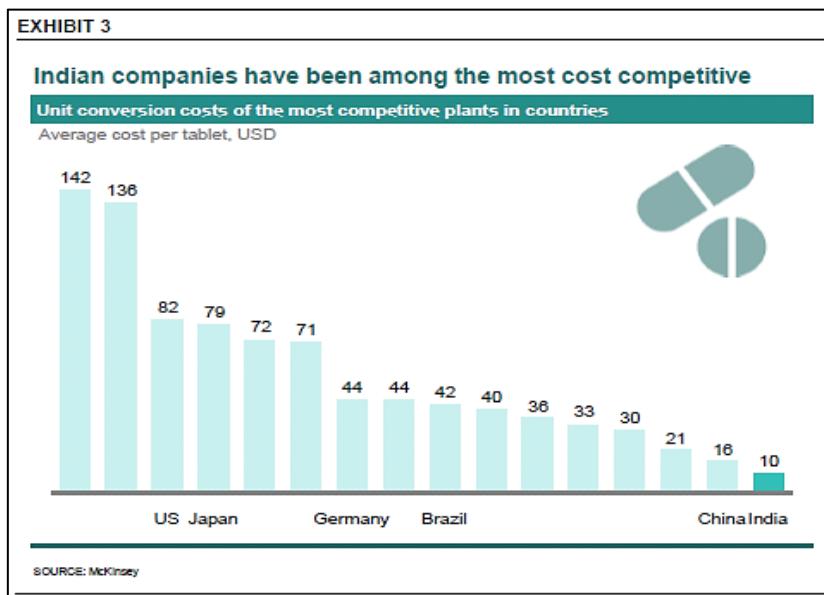
India's strong capabilities across the value chain are critical for successfully serving global pharmaceutical markets. Here, too, India is well positioned:

- It has strong capabilities in generics R&D. For the last five years, India bagged around 1/3rd of the total ANDA filings and approximately 45 per cent of DMFs filed with the USFDA.
- India has the largest number of FDA-approved pharmaceutical manufacturing plants outside the USA located in India.



- India is also known for innovation, with 60+ biosimilars<sup>5</sup> approved for marketing (30 active substances) and an additional 30+ in the pipeline. In addition two new medical entities (NMEs) have been developed and launched till date.

- India ranks among the preferred clinical-trial destinations in the world. Although there has been a decline in the number of clinical trials approved by Drug Controller General of India (DCGI) in recent years, several initiatives to bring back the growth are underway.
- Multiple mergers and acquisitions in India have seen Indian companies acquire multi-national corporations (MNCs) to get a firm foothold in global markets.
- Production costs for commodity generics continue to be low in India—the country ranks lowest in conversion costs, 50 per cent lower than the US or UK and other developed countries (Exhibit 3)



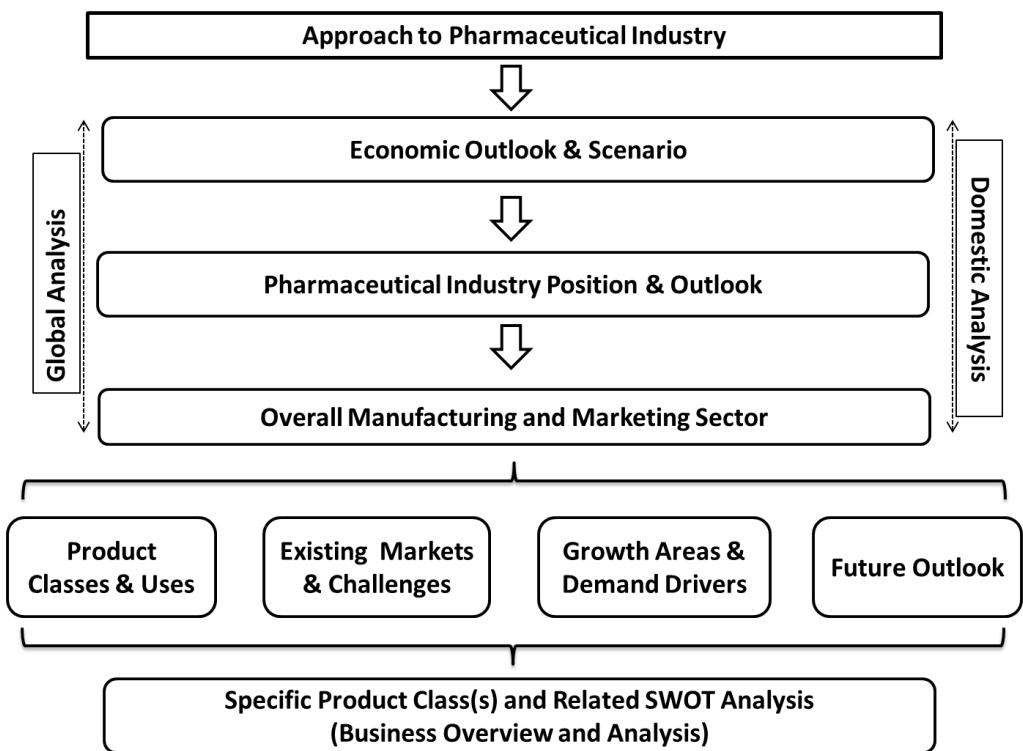
(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry [www.ficci.in](http://www.ficci.in))

## APPROACH TO INDUSTRY ANALYSIS

Analysis of Pharmaceutical Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Pharmaceutical Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Pharmaceutical Industry.

Manufacturing Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing Sector is ‘Pharmaceutical Industry’, which in turn encompasses various segments such as ‘Manufacturing and Marketing of Pharmaceutical Medicines and Drugs’.

Thus, the micro analysis of segments such as Manufacturing and Marketing of Pharmaceutical Medicines and Drugs should be analysed in the light of ‘Pharmaceutical Industry’ at large. An appropriate view on Manufacturing and Marketing of Pharmaceutical Medicines and Drugs Segment, then, calls for the overall economic outlook, performance and expectations of Manufacturing Sector, position of Pharmaceutical Industry and micro analysis thereof.



*This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Pharmaceuticals Industry and / or any other industry, may entail legal consequences.*

# GLOBAL ECONOMIC ENVIRONMENT

## **INTRODUCTION**

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macro-economic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY-2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility. One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail

risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

In either case, foreign demand is likely to be weak, forcing India—in the short run—to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

(Source: *Economic Survey 2015-16-Volume I*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL ECONOMIC OVERVIEW**

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL OUTLOOK FOR GROWTH**

One important positive outcome in 2015 was the modest pick-up in growth in some of the advanced economies. It might be recalled that after falling in 2009 due to the 2008 global financial crisis, growth in emerging and developing economies rebounded in 2010 and 2011. While advanced economies also exhibited a recovery in 2010 thanks to the large stimuli, global growth continued to be tepid relative to the average of the decade ending 2006, largely on account of the slowdown in advanced economies. Spill over effects of the crisis may have been large, prolonged and bi-directional, given that the global integration is far greater than in the prior decade. This has made the task of projecting global economic outlook arduous. This uncertainty has led to the International Monetary Fund (IMF) revising the global growth outlook in its World Economic Outlook (WEO) four times a year since 2009.

In its latest WEO Update, published on 19 January 2016, the IMF has projected growth in the global economy to go up from 3.1 per cent in 2015 to 3.4 per cent in 2016 and further to 3.6 per cent in 2017, slightly lower than the projection published in October 2015. Growth in advanced economies is revised by 0.2 percentage points in 2016 to 2.1 per cent, to continue through 2017. Growth in the US is expected to remain resilient owing to strengthening of the housing and labour markets. Growth in the euro area is expected to increase due to stronger private consumption supported by lower oil prices and easy financial conditions is expected to outweigh the weakening in net exports. Growth in Japan is also expected to consolidate in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

Overall global economic activity remained subdued in 2015, as growth in emerging market and developing economies (EMDE) declined for the fifth consecutive year and recovery in advanced economies was modest. This is also attributable to the changing composition of the global economy and relative point contributions to global growth. The fall in the contribution of the EMDEs is not being made good by the advanced economies. A recent feature is that the Chinese economy is gradually slowing down and is transitioning from investment demand to consumption demand and from manufacturing to services. The concern over the spill over's of subdued global growth to other economies through trade channels and weaker commodity prices is manifest in diminishing confidence and increasing volatility in financial markets. In addition, a dual monetary policy-a gradual tightening in monetary policy in the US in the backdrop of its resilient recovery and easy monetary policy in several other major advanced economies has led to continued uncertainties and poses challenges for the year ahead. In the case of EMDEs, growth remained subdued at 4 per cent in 2015, but is projected to increase to 4.3 per cent in 2016 and 4.7 per cent in 2017. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Assessments indicate that mixed inflation developments in EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The 19 January WEO Update also indicated that India and the rest of emerging Asia are bright spots, albeit with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. The IMF's growth forecast for India is 7.5 per cent in 2016 and 2017 and this surpasses the projection of 6.3 per cent and 6.0 per cent respectively for China. The level of global economic activity has a significant and direct bearing on the growth prospects of the emerging economies through trade channels. As per the Update, world trade volume growth projections have been placed at 3.4 per cent and 4.1 per cent respectively for 2016 and 2017 lower by 0.7 percentage points to 0.5 percentage point respectively from WEO, October 2015. The World Bank's Report on Global Economic Prospects (January 2016) also estimated that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the following two years. Compared to other major developing countries, the report maintained that India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment.

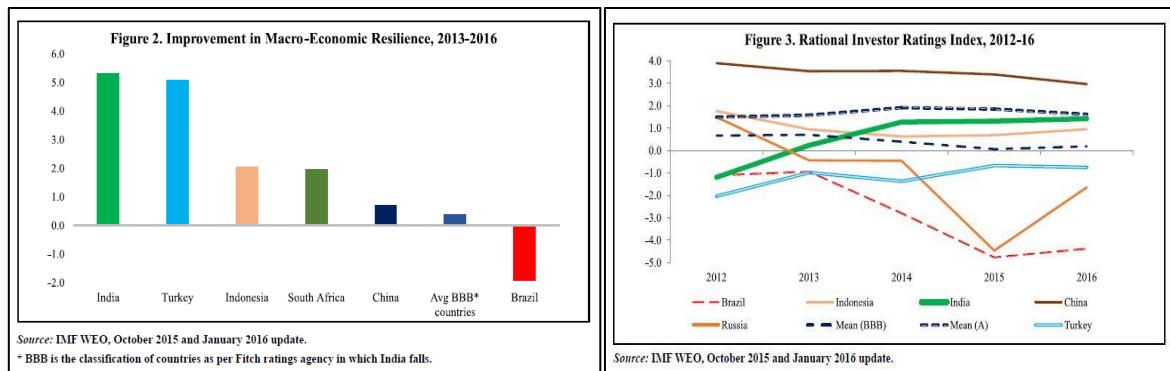
(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## THE INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. A sense of this turnaround is illustrated by a cross-country comparison. In last year's Survey, we had constructed an overall index of macroeconomic vulnerability, which adds a country's fiscal deficit, current account deficit, and inflation. This index showed that in 2012 India was the most vulnerable of the major emerging market countries. Subsequently, India has made the most dramatic strides in reducing its macro-vulnerability. Since 2013, its index has improved by 5.3 percentage points compared with 0.7 percentage points for China, 0.4 percentage points for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil (Figure 2).

If macro-economic stability is one key element of assessing a country's attractiveness to investors, its growth rate is another. In last year's Survey we had constructed a simple Rational Investor Ratings Index (RIRI) which combined two elements, growth serving as a gauge for rewards and the macro-economic vulnerability index proxying for risks. The RIRI is depicted in Figure 3; higher levels indicate better performance. As can be seen, India performs well not only in terms of the change of the index but also in terms of the level, which compares favourably to its peers in the BBB investment grade and even its "bettters" in the A grade. As an investment proposition, India stands out internationally.

(Source: Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))



(Source: Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 73/4 percent.
- Inflation remains under control. The CPI-New Series inflation has fluctuated around 5 1/2 percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$ 351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$ 21.9 billion in April-December 2014-15 to US\$ 27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve

actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.

- The fiscal sector registered three striking successes: on-going fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).
- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **DEVELOPMENTS IN THE CAPITAL MARKET**

### **PRIMARY MARKET**

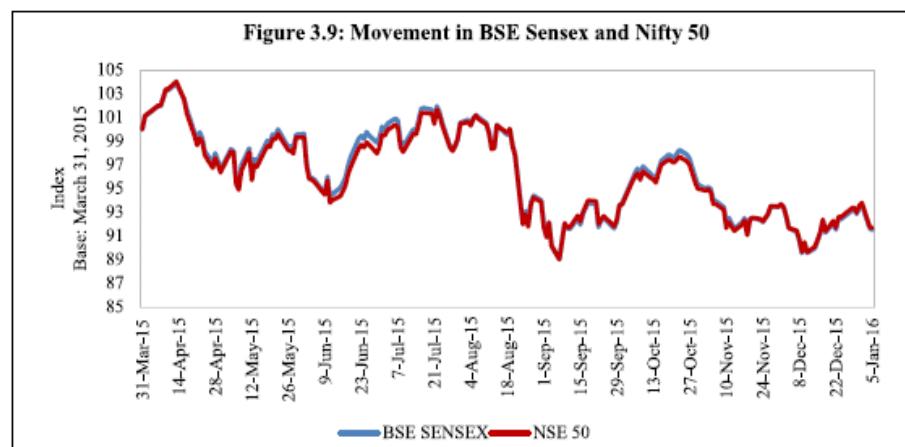
In 2015-16 (April-December), resource mobilization through the public and right issues has surged rapidly as compared to the last financial year. During 2015-16 (April- December), 71 companies have accessed the capital market and raised Rs.51,311 crore, compared to Rs.11,581 crore raised through 61 issues during the corresponding period of 2014-15.

The small and medium enterprises (SME) platform of the stock exchange is intended for small and medium sized companies with high growth potential, whose post issue paid-up capital is less than or equal to Rs. 25 crore. During 2015-16 (April- December), 32 companies were listed on the SME platform, raising a total amount of Rs.278 crore as compared to Rs.229 crore raised through 28 issues in the corresponding period of 2014-15.

Resources mobilized by mutual funds during April-December 2015 also increased substantially to Rs.1,61,696 crore from Rs.87,942crore mobilized during the same period of the previous year.

### **SECONDARY MARKET**

During 2015-16 so far, the Indian securities market has remained subdued (Figure 3.9). The Bombay Stock Exchange (BSE) Sensex declined by 8.5 per cent (upto 5 January 2016) over end-March 2015, mainly on account of turmoil in global equity markets in August 2015 following slowdown in China and its currency devaluation and slump in stocks. On 4 January 2016, weak Chinese manufacturing data again led to a global sell-off which caused the BSE Sensex also to decline by 538 points (2.1per cent).The downward trend in the Indian stock market was also guided by mixed corporate earnings for Q1 and Q2 of 2015- 16, FPIs' concern over minimum alternative tax (MAT), weakening of the rupee against the US dollar, investor concern over delay in passage of the Goods and Services Tax(GST) Bill, uncertainty over interest rate hike by US Fed and selling by FPIs. However, the Indian equity market has been relatively resilient during this period compared to the other major EMEs. The Indian stock market withstood the US Fed increase in interest rates in December 2015.



*Source:* SEBI

(Source: Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDUSTRIAL PERFORMANCE

The Index of Industrial Production (IIP) which provides quick estimates of the performance of key industrial sectors has started showing upward momentum (Figure 6.1). As per IIP, the industrial sector broadly comprising mining, manufacturing and electricity attained 3.1 per cent growth during April-December 2015-16 as compared to 2.6 per cent during the same period of 2014-15 due to the higher growth in mining and manufacturing sectors (Table 6.1). The mining, manufacturing and electricity sectors grew by 2.3 per cent, 3.1 per cent, and 4.5 per cent respectively during April-December 2015-16. The mining sector growth was mainly on account of higher coal production. The manufacturing sector was propelled by the higher production by the industry groups like furniture; wearing apparel, dressing and dyeing of fur; motor vehicles, trailers & semitrailers; chemicals and chemical products; refined petroleum products & nuclear fuel; and wood& products of wood. The growth in electricity is mainly contributed by higher growth in generation of thermal and nuclear sector.

In terms of use based classification, consumer durable goods have witnessed a remarkable growth at 12.4 per cent during April-December 2015-16. Basic goods and capital goods have registered 3.4 per cent and 1.7 per cent growth with intermediate goods by 1.9 per cent (Table 6.1).

The eight core infrastructure supportive industries, coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly 38 per cent in the IIP, registered a cumulative growth of 1.9 per cent during April-December 2015-16 as compared to 5.7 per cent during April-December 2014-15. Month-wise performance of the eight core sectors shows that the production of coal and fertilizers have increased substantially, while that of crude oil, natural gas and steel have mostly been negative. Refinery products, cement and electricity have attained moderate growth. Clearances for coal projects have facilitated production of coal. Crude oil and natural gas production declined because of a fall in production by Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL) and also private/joint venture (JV) companies in different months. In electricity generation, while the thermal and nuclear sectors have registered higher growth, the hydro sector has not performed well.

Table 6.1: IIP-based Growth Rates of Broad Sectors/ Use-based Classification (in per cent)											
	Weight	2013-14		2014-15		2014-15			2015-16		
		Q1	Q2	Q3	Apr.-Dec.	Q1	Q2	Q3	Apr.-Dec.		
General	100.00	-0.1	2.8	4.5	1.3	2.0	2.6	3.3	4.8	1.5	3.1
Sectoral											
Mining	14.16	-0.6	1.5	3.0	0.5	2.1	1.8	0.4	3.1	3.3	2.3
Manufacturing	75.53	-0.8	2.3	3.9	0.4	1.1	1.8	3.7	4.7	0.9	3.1
Electricity	10.32	6.1	8.4	11.3	9.4	9.4	10.0	2.3	6.8	4.4	4.5
Use Based											
Basic goods	45.68	2.1	7.0	8.7	7.0	8.3	8.0	4.7	4.4	1.3	3.4
Capital goods	8.83	-3.6	6.4	13.6	-0.5	3.2	5.1	2.0	13.4	-10.0	1.7
Intermediate goods	15.69	3.1	1.7	3.1	1.6	0.8	1.8	1.6	2.2	1.9	1.9
Consumer goods	29.81	-2.8	-3.4	-3.2	-5.4	-6.4	-4.9	2.5	2.7	6.8	4.0
Consumer durables	8.46	-12.2	-12.6	-9.5	-15.5	-20.9	-15.2	3.7	11.9	23.4	12.4
Consumer non-durables	21.35	4.8	2.8	1.4	2.3	3.2	2.3	1.7	-3.0	-1.6	-1.0
<i>Source:</i> CSO											

Figure 6.1 depicts three months moving average month-on-month (M-o-M) growth of the IIP, manufacturing and eight core industries. The growth in industrial production, manufacturing sector and the eight core sectors started picking up again in December 2015. It is expected that the uptick in growth rate will be maintained due to revival in manufacturing production.

While the overall IIP has shown recovery, there is variation in the performance of some of the major industries during April-December 2015. While some sectors like electricity, coal, fertilizers, cement and passenger cars have shown positive growth, sectors like steel and aluminium have shown negative growth during April-December 2015.

(Source: Economic Survey 2015-16-Volume-II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## MICRO SMALL AND MEDIUM ENTERPRISES SECTOR

With 3.6 crore units spread across the country, that employ 8.05 crore people, Micro, Small and Medium Enterprises (MSME) have a contribution of 37.5 per cent to the country's GDP. The sector has huge potential for helping address structural problems like unemployment, regional imbalances, unequal distribution of national income and wealth across the country. Due to comparatively low capital costs and their forward-backward linkages with other sectors, MSMEs will play a crucial role in the success of the Make in India initiative.

Realizing the importance of the MSME sector, the government has undertaken a number of schemes/programmes like the Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up gradation, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), and Micro and Small Enterprises- Cluster Development Programme (MSECDP) for the establishment of new enterprises and development of existing ones.

Some of the new initiatives undertaken by the government for the promotion and development of MSMEs, are as follows:

- **Udyog Aadhar Memorandum (UAM):** The UAM scheme, which was notified in September 2015 under section 8 of the MSME Development Act 2006, is a path-breaking step to promote ease of doing business for MSMEs. Under the scheme, MSME entrepreneurs just need to file an online entrepreneurs' memorandum to instantly get a unique Udyog Aadhaar Number (UAN). The information sought is on self-certification basis and no supporting documents are required. This marks a significant improvement over the earlier complex and cumbersome procedure.

- **Employment Exchange for Industries:** To facilitate match making between prospective job seekers and employers an employment exchange for industries was launched on June 15, 2015 in line with Digital India. More than 3.42 lakh job seekers have been registered on the portal as on December 30, 2015.
- **Framework for Revival and Rehabilitation of MSMEs:** Under this framework, which was notified in May 2015, banks have to constitute a Committee for Distressed MSME enterprises at zonal or district level to prepare a Corrective Action Plan (CAP) for these units.
- **A scheme for Promoting Innovation and Rural Entrepreneurs (ASPIRE):** ASPIRE was launched on March 16, 2015 with the objective of setting up a network of technology centres and incubation centres to accelerate entrepreneurship and promote start-ups for innovation and entrepreneurship in rural and agriculture based industry.

In addition, the government intends to provide more credit to MSME sectors, especially in the rural areas, focusing on skill development, encouraging entrepreneurial activities with optimistic mindset among rural youth and creating job opportunities among rural women, for high, inclusive and sustained industrial growth.

(Source: Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OUTLOOK FOR GROWTH

Real GDP growth for 2015-16 is expected to be in the 7 to 7 range, reflecting various and largely offsetting developments on the demand and supply sides of the Indian economy. Before analysing these factors, however, it is important to step back and note one important point. India's long-run potential GDP growth is substantial, about 8-10 percent. But its actual growth in the short run will also depend upon global growth and demand. After all, India's exports of manufactured goods and services now constitute about 18 percent of GDP, up from about 11 percent a decade ago.

Reflecting India's growing globalization, the correlation between India's growth rate and that of the world has risen sharply to reasonably high levels. For the period 1991-2002 this correlation was 0.2. Since then, the correlation has doubled to 0.42. In other words, a 1 percentage point decrease in the world growth rate is now associated with a 0.42 percentage point decrease in Indian growth rates. Accordingly, if the world economy remains weak, India's growth will face considerable headwinds. For example, if the world continues to grow at close to 3 percent over the next few years rather than returning to the buoyant 4-4½ per cent recorded during 2003-2011, India's medium-term growth trajectory could well remain closer to 7-7½ per cent, notwithstanding the government's reform initiatives, rather than rise to the 8-10 per cent that its long-run potential suggests. In other words, in the current global environment, there needs to be a recalibration of growth expectations and consequently of the standards of assessment.

Turning to the outlook for 2016-17, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

- To measure the demand for India's exports, we calculate a proxy-weighted average GDP growth rate of India's export partners. The weights are the shares of partner countries in India's exports of goods and services. We find that this proxy for export demand growth declined from 3.0 percent in 2014 to 2.7 per cent in 2015, which helps explain the deceleration in India's non-oil exports, although the severity of the slowdown—in fact, a decline in export volume—went beyond adverse external developments. Current projections by the IMF indicate that trading partner growth this year will improve marginally to about 2.8 percent. But the considerable downside risks suggest that it would be prudent not to count on a big contribution to GDP growth from improving export performance.
- On the domestic side, two factors could boost consumption. If and to the extent that the Seventh Pay Commission (7th PC) is implemented, increased spending from higher wages and allowances

of government workers will start flowing through the economy. If, in addition, the monsoon returns to normal, agricultural incomes will improve, with attendant gains for rural consumption, which over the past two years of weak rains has remained depressed.

- Against this, the disappearance of much of last year's oil windfall would work to reduce consumption growth. Current prospects suggest that oil prices (Indian crude basket) might average US\$ 35 per barrel next fiscal year compared with US\$ 45 per barrel in 2015-16. The resulting income gain would amount roughly equivalent to 1 percentage point of GDP – an 18 per cent price decline times a share of net oil imports in GDP of 6 percent. But this would be half the size of last year's gain, so consumption growth would slow on this account next year.
- According to analysis done by Credit Suisse, (non-financial) corporate sector profitability has remained weak, falling by 1 percent in the year to December 2015. This decline reflected a sharp deterioration in the financial health of the metals—primarily steel—companies, which have now joined the ranks of companies under severe financial stress. As a result, the proportion of corporate debt owed by stressed companies, defined as those whose earnings are insufficient to cover their interest obligations, has increased to 41 percent in December 2015, compared to 35 percent in December 2014. In response to this stress, companies have once again been compelled to curb their capital expenditures substantially.
- Finally, the path for fiscal consolidation will determine the demand for domestic output from government. The magnitude of the drag on demand and output will be largely equal to the size of consolidation, assuming a multiplier of about 1.
- There are three significant downside risks. Turmoil in the global economy could worsen the outlook for exports and tighter financial conditions significantly. Second, if contrary to expectations oil prices rise more than anticipated, this would increase the drag from consumption, both directly, and owing to reduced prospects for monetary easing. Finally, the most serious risk is a combination of the above two factors. This could arise if oil markets are dominated by supply-related factors such as agreements to restrict output by the major producers.
- The one significant upside possibility is a good monsoon. This would increase rural consumption and, to the extent that it dampens price pressures, open up further space for monetary easing.
- Putting these factors together, we expect real GDP growth to be in the 7 to  $7^{3/4}$  per cent range, with downside risks because of on-going developments in the world economy. The wider range in the forecast this time reflects the range of possibilities for exogenous developments, from a rebound in agriculture to a full-fledged international crisis; it also reflects uncertainty arising from the divergence between growth in nominal and real aggregates of economic activity.

(Source: Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when

India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

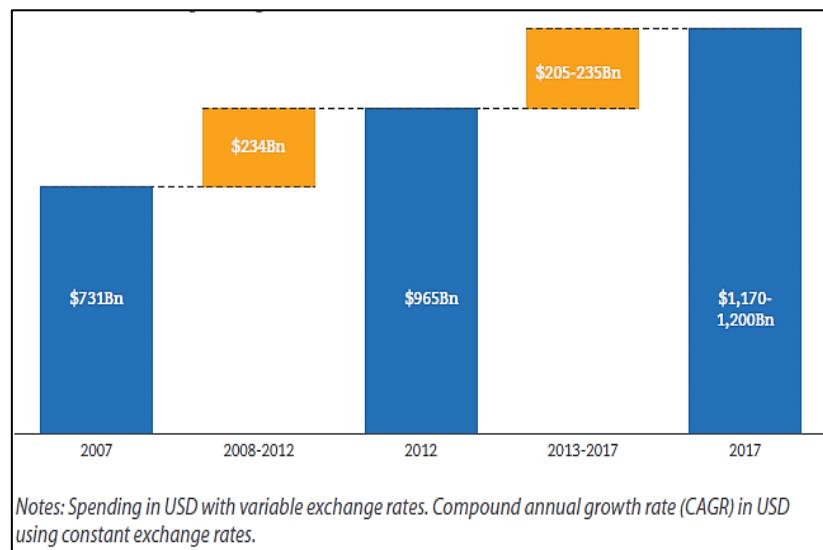
The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

(Source: *Economic Survey 2015-16-Volume II*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## GLOBAL PHARMACEUTICAL INDUSTRY

The IMS Institute for Healthcare Informatics predicts that the pharmaceutical market will reach nearly USD 1,200 billion by 2017, an increase of nearly USD 235 billion from the USD 965 billion recorded in 2012. This growth is coming mainly from market expansion in the leading emerging countries and from generics. Global brand spending is forecast to increase from USD 589 billion in 2012 to USD 610–624 billion in 2017. Global generic spending is expected to increase from USD 261 billion to USD 420–430 billion by 2017, of which USD 224–244 billion of the increase is from low-cost generics in emerging markets.



The US share of global spending will decline from 34% in 2012 to 31% in 2017, while the European share of spending will decline from 15% to 13%. Meanwhile, the leading emerging countries will account for 33% of global spending in 2017 from 31% in 2012.

(Source: *The Pharmaceutical Industry and Global Health- International Federation of Pharmaceutical Manufacturers & Associations* [www.ifpma.org](http://www.ifpma.org))

## GLOBAL PHARMACEUTICAL INDUSTRY

### GLOBAL COUNTRY RANKINGS

Exhibit	2010	Index	Exhibit	2015	Index	Exhibit	2020	Index
1	U.S.	100	1	U.S.	100	1	U.S.	100
2	Japan	22	2  	China	27	2	China	30
3 	China	19	3 	Japan	18	3	Japan	14
4	Germany	11	4	Germany	10	4	Germany	9
5 	France	10	5	France	8	5 	Brazil	8
6	Italy	7	6 	U.K.	7	6	U.K.	6
7	U.K.	6	7 	Brazil	6	7 	Italy	5
8 	Spain	6	8 	Italy	6	8 	France	5
9	Canada	6	9	Canada	5	9 	India	5
10 	Brazil	5	10 	Spain	4	10 	Canada	4
11 	South Korea	4	11 	Venezuela	4	11 	Spain	4
12	Australia	3	12 	India	4	12 	Russia	3
13 	India	3	13 	Russia	3	13 	South Korea	3
14 	Mexico	3	14 	South Korea	3	14 	Mexico	2
15 	Venezuela	3	15 	Australia	3	15 	Turkey	2

### Medicine use in 2020

Medicines in 2020 will include a vast array of treatments ranging from those that provide symptom relief available without a prescription to lifesaving genetically personalized therapies unique to a single patient. Total use of medicines in 2020 will reach 4.5 trillion doses, up 24% from 2015 levels. Over half of the world's population will consume more than 1 dose per person per day of medicines, up from one-third in 2005 and driven by India, China, Brazil and Indonesia. Success in closing the gap in per capita use of medicines differs by country; increased usage is primarily in emerging markets, while developed markets' volumes remain more stable. Developed markets will continue to use more original branded and specialty medicines per capita while pharmerging markets will use more non-original brands, generics and over the counter products. Furthermore, the adoption of newer medicines will remain higher in developed markets than in pharmerging markets.

### Medicine Use Comparisons

Most of the global increase in the volumes of medicines used in the 5 years to 2020 will be in India, China, Brazil, Indonesia, and Africa (see Exhibit 1). The largest increases align to areas with the most development gains and often in areas with the lowest usage previously.

### Exhibit 1: Doses Consumed by Country in 2020



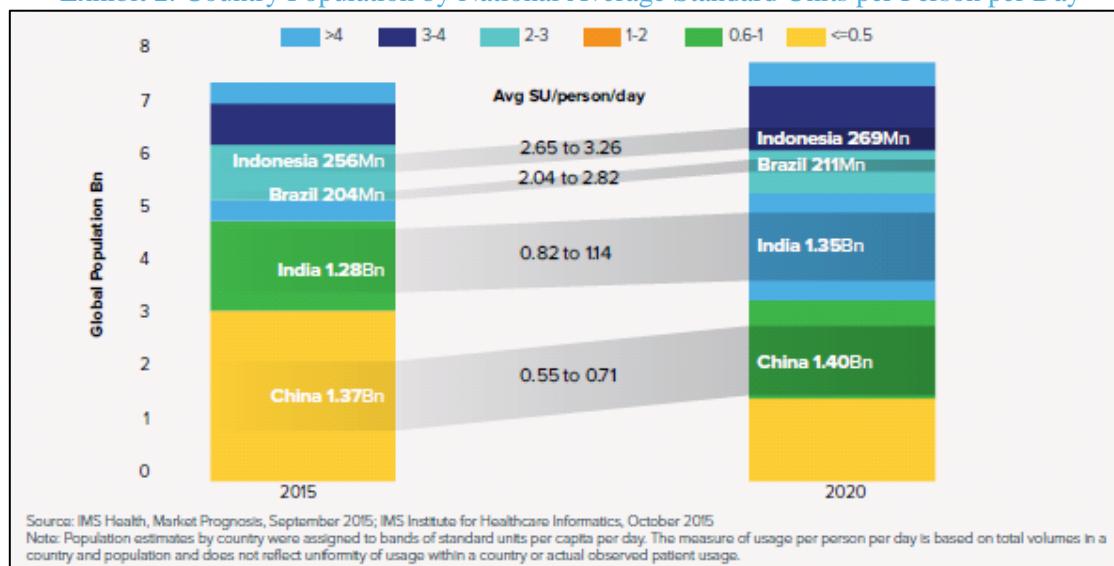
China and India will have each completed ten years of healthcare access expansion by 2020, with nearly all of the Chinese population having basic medical insurance. Most of the rest of the Asia-Pacific increased usage will come from Indonesia. Asia Pacific, with 1.3 billion people (excluding China, India and Japan) will increase usage substantially, with half of the increase from Indonesia's shift to 3.26 standard units (SUs) per person per day in 2020.

#### Rising per capita use in pharmerging markets

As the world's population tops 7.6 billion in 2020, per capita usage of medicine will reach about 1.6 Sus per person per day. Most developed countries have usage above 2 SUs per person per day and much of the increased usage in 2020 is driven by China, India, Brazil and Indonesia where substantial increases will have been made in average medicine volume usage (see Exhibit 2).

These four countries with a combined population of 3.23 billion in 2020 - up from 3.11 billion in 2015 - will account for nearly half of the increased volume in medicine usage globally from 2015-2020. India's level of medicine usage is a reflection of both a very basic healthcare infrastructure and the ease of access for medicines where even the most complex medicines can be obtained at a corner pharmacy if the patient can afford them.

### Exhibit 2: Country Population by National Average Standard Units per Person per Day

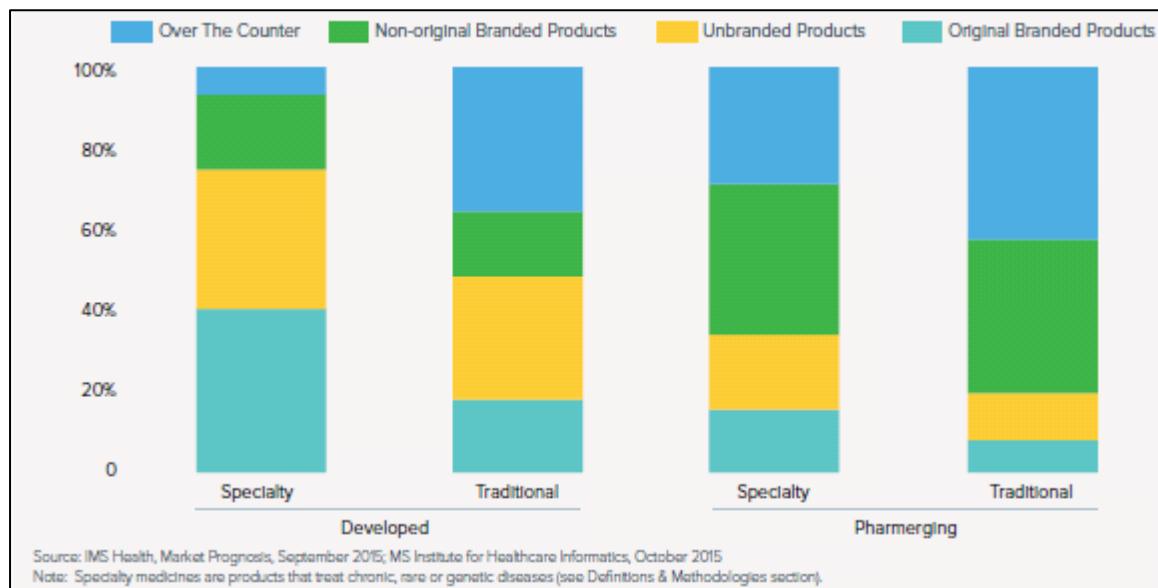


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### **Analysis by types of medicines**

The types of medicines used vary substantially between developed and pharmerging countries (see Exhibit 3). The largest volume of medicines will be generics and non-original branded products, primarily in pharmerging markets, often at lower costs than original brands and contributing significantly to increased access to medicines in these countries. The wider use of original branded medicines in developed markets reflects both earlier adoption of these medicines and historic differences in the application of intellectual property laws. By 2020, 18% of traditional product volumes in developed markets will be for original brands, compared to 8% in pharmerging markets. In general, specialty medicines are much more rarely used, but are used proportionately more in developed markets. Developed markets are also more likely to use original branded specialty products capturing 40% of specialty volumes in developed markets compared to 15% in pharmerging markets. Pharmerging countries will continue to be much more likely to use non-original branded products or over the counter medicines than brands or unbranded products. Newer medicines often take decades to be widely used, even in developed markets. By 2020, the vast majority of traditional medicines consumed will have been available for more than 10 years, and only 1.9% of volumes in developed markets will be for recently launched medicines, compared to 0.1% in pharmerging countries. Specialty medicines are adopted more quickly in developed markets and 3.3% of specialty volumes will be less than ten years old in 2020, compared to only 0.1% in pharmerging markets.

**Exhibit 3: Standard Units in 2020 by Product Type in Major Developed and Pharmerging Countries**



### **PHARMERGING MARKETS SPENDING ON MEDICINES**

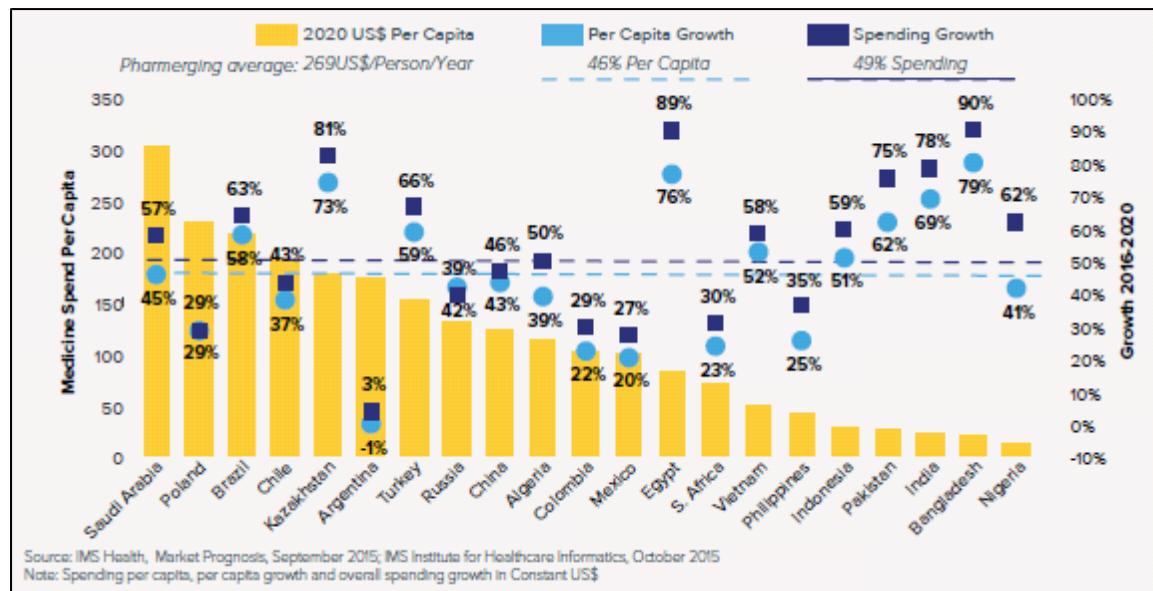
Growth in spending on medicines in pharmerging markets of \$125 billion to 2020 is driven primarily by wider use of medicines. The per capita increases in volume and spending reflect the strong commitment to wider access to healthcare from government and expanded private insurance markets that many pharmerging countries are experiencing.

The difference in per capita spending growth and overall spending growth over the next five years is indicative of population growth, while the overall high level of per capita spending growth reflects

both access expansions and the rising mix of higher cost medicines being used in pharmerging markets (see Exhibit 4).

Saudi Arabia is notable in that it will spend \$300 per person in 2020, with nearly the same volume per person as average developed markets. Many of the countries with the highest per capita spending growth to 2020 have the lowest spend per capita, suggesting that most people in those countries have substantially worse healthcare than in higher spend pharmerging or developed markets and that the increases will go some way but ultimately still fail to address global healthcare inequities.

**Exhibit 4: Medicines Spend and Change per Capita Constant US\$**



(Source: *IMS Institute for Healthcare Informatics- Report on Global Medicines Use in 2020 - Outlook and Implications-* [www.imshealth.com](http://www.imshealth.com))

## INDIAN PHARMACEUTICAL INDUSTRY

### Introduction

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. Branded generics dominate the pharmaceuticals market, constituting nearly 70 to 80 per cent of the market. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

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

The UN backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine Tenofovir Alafenamide (TAF) for 112 developing countries.

### Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size\*. India has also

maintained its lead over China in pharmaceutical exports with a year-on-year growth of 7.55 per cent to US\$ 12.54 billion in 2015, according to data from the Ministry of Commerce and Industry.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15 an increase of 84 per cent as per analysis by USFDA.

India's biotechnology industry comprising biopharmaceuticals, bioservices, bioagriculture, bioindustry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest subsector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US\$ 1.9 billion).

### **Investments**

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

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 13.85 billion between April 2000 and March 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the major investments in the Indian pharmaceutical sector are as follows:

- International Finance Corporation (IFC), the investment arm of the World Bank, plans to invest upto US\$ 75 million in Glenmark, which is looking to raise around US\$ 200 million for expansion and the launch of several new products in India and other emerging markets over the next three years.
- Cipla Limited, one of India's leading pharmaceutical firms, plans to invest around Rs 600 crore (US\$ 88.94 million) to set up a biosimilar manufacturing facility in South Africa for making affordable cancer drugs and growing its presence in the market.
- RusanPharma, a firm which specialises in de-addiction and pain management products, plans to invest Rs 100 crore (US\$ 14.82 million) in a Research and Development (R&D) centre and a manufacturing unit in Kandla, located in Kutch District in Gujarat.
- Pink Blue Supply Solutions Pvt. Ltd, a clinical supplies provider, has raised Rs 1.5 crore (US\$ 0.22 million) in a seed round of funding from TermSheet.io, a transaction-focused service provider for start-ups and investors.
- The Medicines Patent Pool (MPP) has signed a licencing agreement with six Indian drug makers for the generic manufacturing of four antiretrovirals (ARV) and hepatitis C direct-acting antiviral drug Daclatasvir.
- Dr Reddy's Laboratories, one of the major pharmaceutical companies of India, has entered into a strategic collaboration agreement with Turkey-based TR-Pharm, to register and subsequently commercialise three biosimilar products in Turkey.
- Lupin has completed the acquisition of US-based GAVIS Pharmaceuticals in a deal worth US\$ 880 million, which is expected to enhance its product pipeline in dermatology, controlled substances and high-value speciality products.
- Cipla Ltd, one of the major pharmaceutical and biotechnology companies in India, has acquired two US-based generic drug makers, InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US\$ 550 million, which is expected to strengthen Cipla's US business.
- Emcure Pharmaceuticals has acquired Canada's International Pharmaceutical Generics Ltd and its marketing arm Marcan Pharmaceuticals in order to boost its global expansion drive.
- Cipla announced the acquisition of two US-based companies, InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US\$550 million.
- Glaxosmithkline Pharmaceuticals has started work on its largest greenfield tablet manufacturing facility in Vemgal in Kolar district, Karnataka, with an estimated investment of Rs1,000 crore (US\$ 148.24 million).

- Lupin has acquired two US based pharmaceutical firms, Gavis Pharmaceuticals LLC and Novel Laboratories Inc, in a deal worth at US\$ 880 million.
- Several online pharmacy retailers like PharmEasy, Netmeds, Orbimed, are attracting investments from several investors, due to double digit growth in the Rs 97,000 crore ( US\$ 14.38 billion) Indian pharmacy market.
- Stelis Biopharma announced the breakthrough construction of its customised, multi-product, biopharmaceutical manufacturing facility at Bio-Xcell Biotechnology Park in Nusajaya, Johor, Malaysia's park and ecosystem for industrial and healthcare biotechnology at a total project investment amount of US\$ 60 million.
- Strides Arcolab entered into a licensing agreement with US-based Gilead Sciences Inc to manufacture and distribute the latter's cost-efficient Tenofovir Alafenamide (TAF) product to treat HIV patients in developing countries. The licence to manufacture Gilead's low-cost drug extends to 112 countries.
- CDC, the UK's development finance institution, invested US\$ 48 million in Narayana Hrudayalaya hospitals, a multi-speciality healthcare provider, with an aim to expand affordable treatment in eastern, central and western India.
- Cadila Healthcare Ltd announced the launch of a biosimilar for Adalimumab - for rheumatoid arthritis and other auto immune disorders. The drug will be marketed under the brand name Exemptia at one-fifth of the price for the branded version-Humira. Cadila's biosimilar is the first in class and an exact replica of the original in terms of safety, purity and potency of the product, claims the company.
- Torrent Pharmaceuticals entered into an exclusive licensing agreement with Reliance Life Sciences for marketing three biosimilars in India — Rituximab, Adalimumab and Cetuximab.
- Indian Immunologicals Ltd plans to set up a new vaccine manufacturing facility in Pondicherry with an investment of Rs 300 crore (US\$ 44.47 million).
- SRF Ltd has acquired Global DuPont Dymel, the pharmaceutical propellant business of DuPont, for US\$ 20 million.
- Intas Pharmaceuticals is the first global company to launch a biosimilar version of Lucentis, the world's largest selling drug for treatment of degenerative eye condition called Razumab.

### **Government Initiatives**

The Addendum 2015 of the Indian Pharmacopoeia (IP) 2014, published by the Indian Pharmacopoeia Commission (IPC) on behalf of the Ministry of Health & Family Welfare, is expected to play a significant role in enhancing the quality of medicines that would in turn promote public health and accelerate the growth and development of pharmaceutical sector.

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

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

- Government of India's decision to increase Foreign Direct Investment (FDI) in existing pharmaceuticals companies to 74 per cent is expected to boost Mergers and Acquisitions (M&As) and Private Equity (PE) investments in the pharmaceuticals sector in the country.
- Indian Pharmaceutical Association (IPA), the professional association of pharmaceutical companies in India, plans to prepare data integrity guidelines which will help to measure and benchmark the quality of Indian companies with global peers.
- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.

- The Department of Pharmaceuticals has set up an inter-ministerial co-ordination committee, which would periodically review, coordinate and facilitate the resolution of the issues and constraints faced by the Indian pharmaceutical companies.
- The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs 1,000 crore (US\$ 148 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.
- Indian and global companies have expressed 175 investment intentions worth Rs 1,000 crore (US\$ 148 million) in the pharmaceutical sector of Gujarat. The memorandums of understanding (MoUs) would be signed during the Vibrant Gujarat Summit.
- Telangana has proposed to set up India's largest integrated pharmaceutical city spread over 11,000 acres near Hyderabad, complete with effluent treatment plants and a township for employees, in a bid to attract investment of Rs 30,000 crore (US\$ 4.48 billion) in phases. Hyderabad, which is known as the bulk drug capital of India, accounts for nearly a fifth of India's exports of drugs, which stood at Rs 95,000 crore (US\$ 14.08 billion) in 2014-15.
- At the launch of Cluster Development Programme of pharmaceutical sector, Mr Ananth Kumar, Minister of Fertiliser and Chemicals, announced that six pharmaceutical parks will be approved and established this year which will have sufficient infrastructure and facilities for testing and treatment of drugs and also for imparting training to industry professionals.

The Indian government has taken various steps to ease administrative and regulatory procedures for pharma companies. These are in various stages of implementation and include:

- 100 per cent Foreign Direct Investment (FDI) is allowed under the automatic route for greenfield projects. For brownfield project investments, up to 100 per cent FDI is permitted under the government route on a case-to-case basis
- Under the National Institute of Pharmaceutical Education & Research (Amendment) Act, 2007, the Government has taken steps to nurture and promote pharmaceutical education & research at post graduate level. National Institute of Pharmaceutical Education and Research (NIPER) at Mohali is a premier institute in the field of Pharmaceuticals with fully equipped facilities. Further, six new National Institutes of Pharmaceutical Education and Research (NIPER) were opened in 2007. Recently, three new NIPERs have been proposed in the states of Maharashtra, Rajasthan and Chattisgarh
- Mega parks and clusters to provide shared services and infrastructure reducing costs; supported by area-based incentives from the government. An exclusive pharma zone is coming up on about 11,000 acres near Rangareddy district of Telangana with an in-house pharmaceutical university and research facility. Over 2000 acres for this pharma city has already been acquired. The State Government has further allotted 400 acres on the outskirts of Hyderabad for an advanced 'Smart Health City'
- The government has announced elimination of the need to repeat pre-clinical or toxicological studies on animals for new drugs already approved outside India for importing or manufacturing them in the country unless some specific concerns are raised
- The government provides financial benefits for R&D efforts. A 100 per cent deduction is available for qualifying expenditures paid out or expended in scientific research and a weighted deduction of 200 per cent is available for scientific research on in-house R&D expenditure. There is also a provision allowing 125 per cent deduction on amounts paid to approve third-party R&D contractors. Duty free import of Pharmaceuticals reference standards is allowed
- A number of export benefits under Focus product scheme, Special focus product scheme, Focus market scheme and Export promotion capital goods scheme have been envisaged
- The government has set up an effective control system to monitor the quality of pharmaceuticals at all the levels in India through various agencies/ bodies. Efforts are underway to digitalize the procedures. Some of them include online clinical trial application and monitoring system, software system for monitoring and disposal of applications for import licence for test and analysis, etc.

(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry [www.ficci.in](http://www.ficci.in))

### **Road Ahead**

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

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

(Exchange Rate Used: INR 1 = US\$ 0.0148 as on July 11, 2016)

**References:** Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council.

(Source: Pharmaceutical Industry in India- India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

## **SEGMENTS OF INDIAN PHARMACEUTICALS INDUSTRY**

### **Active Pharmaceutical Ingredients (APIs)**

- India is expected to be the third largest global generic API merchant market by 2016, with a 7.2 per cent market share.
- The Indian pharmaceutical industry accounts for the second largest number of Abbreviated New Drug Applications (ANDAs), is the world's leader in Drug Master Files (DMFs) applications with the US.

### **Contract Research and Manufacturing Services (CRAMS)**

- Fragmented market with more than 1,000 players.
- CRAMS industry is estimated to reach USD18 billion in 2018 and expected to witness a strong growth at a CAGR of 18-20 per cent.

### **Formulations**

- Largest exporter of formulations in terms of volume, with 14 per cent market share and 12th in terms of export value.
- Domestic market size currently valued at USD 11.2 billion.
- Double-digit growth expected over the next five years

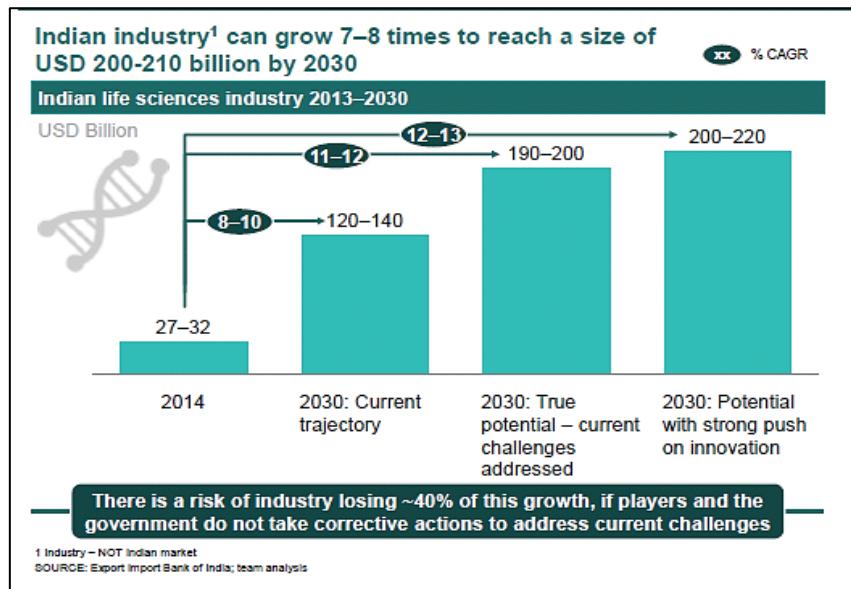
### **Biosimilars**

- Biosimilar's sector is expected to touch USD1.4 billion by 2016 and the sector is expected to grow annually at a rate of 30 per cent in India.
- The government plans to allocate USD70 million for local players to develop biosimilars.

(Source: Pharmaceutical Industry in India by India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

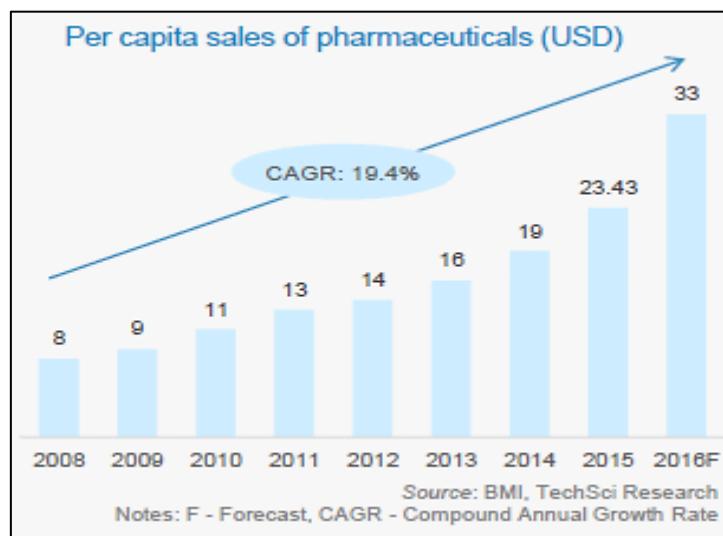
## MAKING IT HAPPEN: IMPERATIVES TO ACHIEVE MAKE IN INDIA AMBITION

Indian pharmaceutical industry can continue to contribute in a big way to the economy and healthcare outcomes, both in India and abroad. Industry could ramp up its trade balance contribution by five times to create a trade surplus of about USD 55 to 60 billion for the country by 2030<sup>19</sup>. The industry could also continue to drive significant job creation and generate nearly 4 million additional jobs over the next 15 years. This will require a set of concerted actions from all stakeholders including the industry, industry associations, policy making government bodies as well as regulatory authorities.



(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry [www.ficci.in](http://www.ficci.in))

## GROWING PER CAPITA SALES OF PHARMACEUTICALS

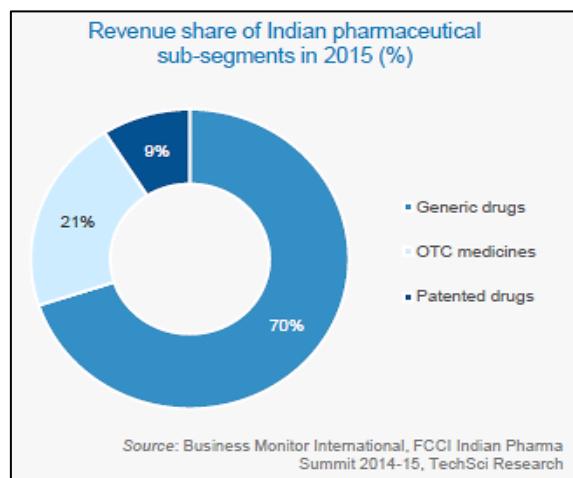


- Growing per capita sales of pharmaceuticals in India offers ample opportunities for players in this market.
- Per capita sales of pharmaceuticals are expected to expand at a CAGR of 19.4 per cent to USD33 by 2016.

- Economic prosperity would improve affordability for generic drugs in the market and improve per capita sales of pharmaceuticals in India.

(Source: Pharmaceutical Industry in India by India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

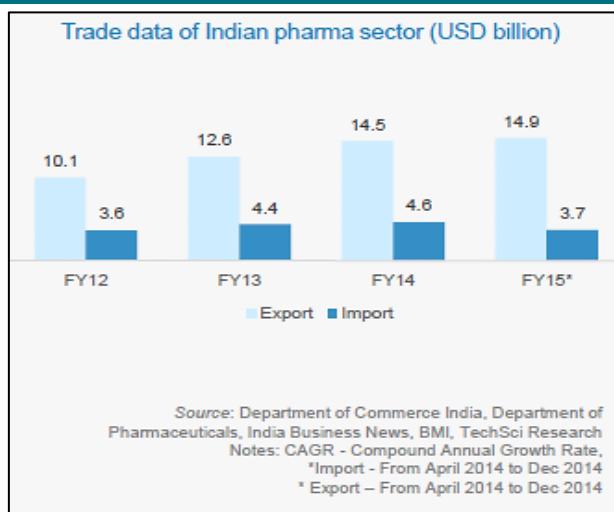
## GENERIC DRUGS FROM THE LARGEST SEGMENT OF INDIAN PHARMA MARKET



- With 70 per cent of market share (in terms of revenues), generic drugs form the largest segment of the Indian pharmaceutical sector.
- India supply 20 per cent of global generic medicines market exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years.
- Over the Counter (OTC) medicines and patented drugs constitute 21 per cent and 9 per cent, respectively, of total market revenues of USD20 billion.

(Source: Pharmaceutical Industry in India - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## PHARMA EXPORT TO CONTINUE WITNESSING HIGH GROWTH



- Indian pharma companies are capitalising on export Trade data of Indian pharma sector (USD billion) opportunities in regulated and semi-regulated markets.
- Department of Pharmaceuticals targets to export USD18.02 Billion worth of pharmaceuticals in 2016. Indian drugs are exported to more than 200 countries in the world, with the US as the key market.
- India is the world's largest provider of generic medicines; the country's generic drugs account for 20 per cent of global generic drug exports (in terms of volumes).

- In terms of value, exports of pharmaceutical products increased at a CAGR of 14 per cent during FY 12–15.
- US is the largest export market for India During FY 12-14, imports of pharmaceutical products rose at a CAGR of 13.04 per cent to USD 4.6 billion.

(Source: Pharmaceutical Industry in India - India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

## INDIA PHARMA SECTOR REVENUES TRENDING NORTH

- The Indian pharmaceuticals market increased at a CAGR of 17.46 per cent in 2015 from USD6 billion in 2005 and is expected to expand at a CAGR of 15.92 per cent to USD55 billion by 2020.
- By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size
- India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others.
- Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.



(Source: Pharmaceutical Industry in India - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## ADVANTAGE INDIA

### Cost Efficiency

- Low cost of production and R&D boosts efficiency of Indian pharma companies.
- India's cost of production is approximately 60 per cent lower than that of the US and almost half of that of Europe.
- Due to lower cost of treatment, India is emerging as a leading destination for medical tourism.

### Economic Driver

- Economic prosperity to improve drug affordability.
- Increasing penetration of health insurance.
- With increasing penetration of chemists, especially in rural India, OTC drugs will be readily available.

### Diversified Portfolio

- Accounts for over 10 per cent of the global pharmaceutical production.
- Over 60,000 generic brands across 60 therapeutic categories. Manufactures more than 500 different APIs.
- 49 per cent of all drug master filings from India is registered in the USA.

### Policy Support

- Government unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture.
- Reduced approval time for new facilities to boost investments.
- In this sector, 100 per cent FDI is allowed under automatic route.

(Source: Pharmaceutical Industry in India - India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

## DEMAND DRIVERS OF INDIA PHARMA SECTOR

### Accessibility

- Over USD200 billion to be spent on medical infrastructure in the next decade.
- New business models expected to penetrate tier-2 and tier-3 cities.
- Over 160,000 hospital beds expected to be added each year in the next decade.
- India's generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally.

### Acceptability

- Rising levels of education to increase acceptability of pharmaceuticals.
- Patients to show greater propensity to self-medicate, boosting the OTC market.
- Acceptance of biologics and preventive medicines to rise.
- A skilled workforce as well as high managerial and technical competence.
- Surge in medical tourism due to increased patient inflow from other countries.

### Affordability

- Rising income could drive 73 million households to the middle class over the next 10 years.
- Over 650 million people expected to be covered by health insurance by 2020.
- Government-sponsored programmes set to provide health benefits to over 380 million BPL people by 2017.
- By 2017, the government plans to provide free generic medicines to half the population at an estimated cost of USD5.4 billion.

### Epidemiological factors

- Patient pool expected to increase over 20 per cent in the next 10 years, mainly due to rise in population.
- New diseases and lifestyle changes to boost demand.
- Increasing prevalence of lifestyle diseases.

(Source: Pharmaceutical Industry in India by India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## CHALLENGES

The prominent challenges that the industry faces are:

- **Growing dependence on external markets for raw materials:** The sector continues to rely on imports of key starting materials, intermediates and API; with the share of dependence increasing over time.
- **Challenged cost-competitiveness in traditional generic formulations:** India's ability to sustain its cost-competitiveness in traditional generic formulations is being challenged for many reasons - high levels of commoditization, increasing customer consolidation, pricing regulations, increasing global competition and productivity boosts from players in developed markets to match India's conversion costs.
- **Competition in complex generics and new technology:** While India has made substantial headway in the last few years, it is still behind in operational maturity in this space, particularly as compared to China and South Korea.
- **Quality issues affecting supply reliability:** In the last 2 to 3 years, Indian pharmaceutical companies (like their global peers) have faced increasing number of quality-related issues

especially for the US market. These challenges have been driven by continuously evolving regulator expectations and risk-based inspection planning model.

- **Strengthening execution of government policies:** While a lot of good policies are in pipeline, if not executed on time would lead to high opportunity cost. There exists opportunity to strengthen dialog between government and industry for feedback on current policies. It is important for the government and industry to work together and resolve these issues in a timely manner.

(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry [www.ficci.in](http://www.ficci.in))

## GLOBAL MANUFACTURING SECTOR

### World manufacturing growth in the year 2016

World manufacturing growth is expected to remain low in 2016 due to the general uncertainty in the global economy. Industrialized economies from North America to East Asia are stuck in a low growth trap while the manufacturing growth of a number of emerging industrial economies is also decreasing. Uncertainty caused by Brexit has affected the growth prospects of much of the European economies while the growth performance of manufacturing in the United States has remained lower than expected so far. Among the developing and emerging industrial economies, China’s growth continued to drift while manufacturing growth recorded a serious downturn in Latin America.

The pace of world manufacturing growth has remained slow in the second quarter of 2016 due to the fragile recovery process in industrialized economies and the significantly weakened growth prospects in developing and emerging industrial economies. Ubiquitous uncertainty associated with Brexit accompanied most of the global markets during the second quarter of 2016. However, the direct consequences of the UK’s vote on world manufacturing will become visible in ensuing quarters. China, which has emerged as the largest global manufacturer in the aftermath of the protracted economic crisis, has entered a transition period and has witnessed a more balanced growth pace, thus pushing the average industrial growth of emerging industrial economies downward. World manufacturing growth has also been affected by the generally lower growth rate in the United States and Japan, the second and third largest global manufacturers. Increasing pressure associated with financial volatility and falling oil prices has contributed to the instability of manufacturing growth in industrialized economies.

In response to the persistent low growth in manufacturing for a prolonged period, enterprises and policy makers have adopted appropriate structural reforms. However, their impact is yet to be seen. There is currently no clear indication that breaking out of the current low growth trap is imminent. Manufacturing growth in Europe, North America and East Asia remains sluggish. World manufacturing output rose by 2.2 per cent in the second quarter of 2016 compared to the same period of the previous year, which is marginally higher than the 2.1 per cent growth estimated for the first quarter of 2016. The positive growth trends with only minor improvements since the last quarter were observed across country groups.

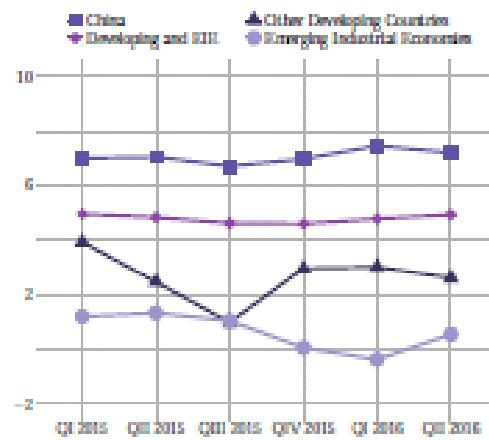
The pace of growth in both country groups exhibited similar trends, but the level of growth has been consistently higher in developing and emerging industrial economies than in industrialized countries. The quarterly growth rate of industrialized economies increased only marginally to 0.2 per cent in the second quarter of 2016 from 0.1 per cent in the previous quarter. A slight deterioration in growth performance was observed in Europe, where manufacturing output rose by 0.8 per cent in the second quarter of 2016, a growth rate below 1.0 per cent for the first time since late 2013. The growth of manufacturing output in the second quarter of 2016 slowed even more in North America, barely recording a 0.3 per cent gain. East Asia experienced another slump, with manufacturing output dropping by nearly 1.1 per cent in the second quarter of 2016. Production decline was reported in

Japan, East Asia's major manufacturer, without any sign of recovery for the manufacturing sector as external demand remains sluggish amid a soaring yen. Production decline in East Asia had a negative impact on manufacturing growth of industrialized countries as a whole.

Manufacturing output in developing and emerging industrial economies slightly increased compared to previous quarters by 4.9 per cent in the second quarter of 2016. Despite this improvement, the risk of another slowdown looms over developing economies as long as economic and political instability persist in industrialized countries. Growth performance varied considerably between the regions - Asian economies persevered, while manufacturing output in Latin America dropped yet increased in Africa compared to the second quarter of 2015. Manufacturing output in Africa rose on account of a significant strengthening of South African manufacturing in the second quarter of 2016. On the contrary, a sharp plunge in production was observed in Brazil as a result of the economic recession which dragged down the overall manufacturing performance of Latin America in the second quarter of 2016.

### **Developing and emerging industrial economies**

A slowdown in China and a downturn in Latin America have impacted the overall growth of manufacturing in developing and emerging industrial economies. In the second quarter of 2016, manufacturing production in China rose by 7.2 per cent over the same period of the previous year, which marked a modest slowdown compared to the 7.4 per cent expansion recorded in the previous quarter and represented one of the slowest growth rates since 2005, but not when compared with other economies of the world. Due to strong domestic demand, China's manufacturing has proven resilient to external shocks. Compared to other economies, China has maintained relatively high growth rates under conditions of declining capital inflow and exports.



Latin American economies, on the other hand, were not as resilient and were negatively affected by the subdued global demand for commodities and falling oil prices. The manufacturing production in Latin America dropped by 3.2 per cent, mostly driven by a protracted recession in Brazil, where manufacturing output plunged by 6.7 per cent on a year-to-year basis. Outspread declines were recorded across almost all other larger Latin American manufacturers, namely Mexico, Argentina, Chile and Peru, which reported a decrease by 0.2 per cent, 4.2 per cent, 1.0 per cent and 8.5 per cent, respectively. The only exception among the major economies of the continent was Columbia, which showed persistent positive growth despite the extended manufacturing depression evident across Latin America.

Growth performance was much higher in Asian economies, where manufacturing output rose by 6.5 per cent in the second quarter of 2016. Viet Nam defended its position of one of the fastest growing Asian economies and maintained a two-digit growth rate in quarterly manufacturing output for the seventh time in a row. At present, though Viet Nam is experiencing the worst drought in the last three decades, its economy is benefitting from the manufacturing industry, which is primarily driven by export-oriented industries such as computers, electronics and optical products that have grown in importance over the last years. Manufacturing output in Indonesia, which recently entered the top-10 largest manufacturers worldwide, grew by 5.6 per cent in the second quarter of 2016. India's manufacturing output, which achieved impressive growth rates in the last quarters, experienced a second slight decline in a row, this time by 0.7 per cent, but the prospects for India's manufacturing are conclusive, since India is on the path to becoming a pivot for high-tech world manufacturing.

Estimates based on the limited available data indicate that manufacturing output in Africa has increased by 2.5 per cent. This respectable increase in growth is attributable to the region's most industrialized economy - South Africa, whose manufacturing production was mainly driven by increasing output in refined petroleum products and chemical products. According to our estimates on

growth rates, all developing African economies managed to retain a non-negative growth rate compared to the previous year.

Global manufacturing production maintained a positive growth in nearly all industries in the second quarter of 2016. High and medium-high manufacturing industries held top positions - the production of pharmaceutical products rose by 4.3 per cent, the manufacture of motor vehicles by 4.2 per cent and the production of chemical products by 3.9 per cent. Among other fast growing industries, the production of textiles rose by 3.8 per cent. By contrast, the production of machinery and equipment declined by 1.1 per cent worldwide due to the backdrop of falling investment in capital goods. The biggest loss was recorded by the tobacco industry, with worldwide production declining by 2.6 per cent.

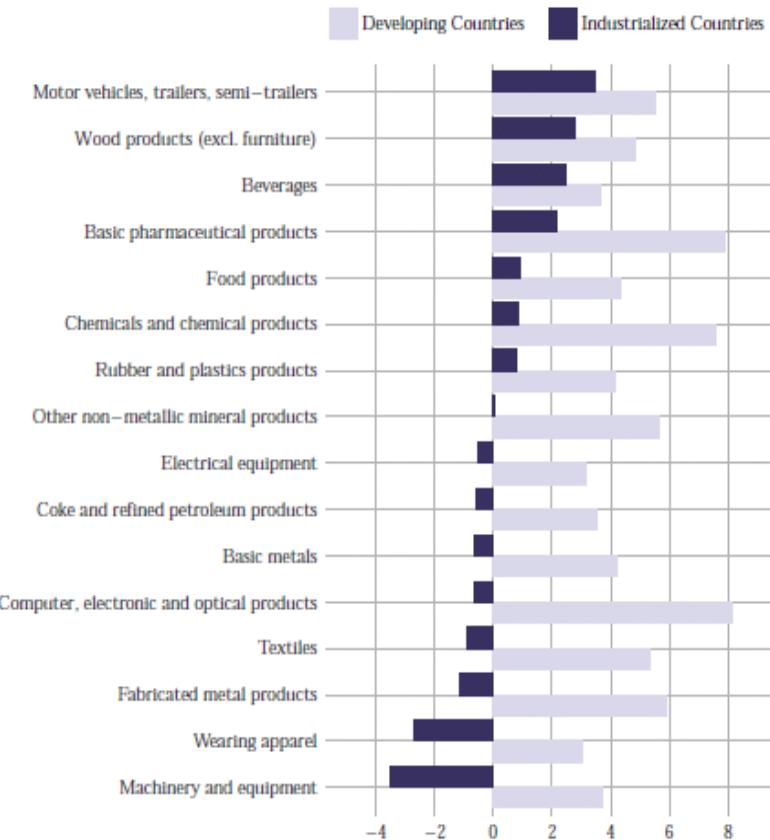
In general, the growth performance of developing and emerging industrial economies was far better in nearly all manufacturing industries, including several high technology industries. The production of computers, electronics and optical products in developing and emerging industrial economies rose by the highest rate of 8.1 per cent, closely followed by a 7.9 per cent growth rate in the production of pharmaceutical products. A significant contribution to the growth of manufacturing of electronics was made by China, India, Poland and Viet Nam.

Disaggregated data by industrialized and developing economies show that the performance of industrialized countries was evenly split among all manufacturing industries according to technological intensity. The fastest growing industry in industrialized economies was the production of motor vehicles which rose by 3.5 per cent in the second quarter of 2016, attributable mostly to the strong performance of European car manufacturers, namely Denmark, Lithuania, the Netherlands, the Czech Republic, Sweden, Spain, Norway and the United Kingdom. All of these countries recorded a two-digit percentage increase compared to the second quarter of 2015. However, the production of motor vehicles in Japan fell in the second quarter of 2016.

As illustrated in Figure 5, developing economies maintained a relatively higher growth rate in the production of basic consumer goods. The manufacture of food products rose by 4.3 per cent, textiles by 5.3 per cent and wearing apparel by 3.1 per cent. Significant growth rates over 9.0 per cent were observed in the production of wearing apparel in Poland, Turkey and Viet Nam. The production of other basic consumer goods also rose at a higher rate in developing economies.

The growth rates for selected industries are presented below:

Figure 5: Estimated growth rates by Industry  
in % compared to previous year  
Quarter II, 2016



(Source: World Manufacturing Production- Statistics for Quarter II, 2016; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

## PHARMACEUTICAL MANUFACTURING SECTOR: AREAS OF OPPORTUNITY

India is already an attractive destination for the manufacturing of pharmaceuticals owing to its strong capabilities across the value chain. Going forward, pharmaceuticals manufacturing in India has multiple opportunities for growth across formulations, bulk drugs, indigenous vaccines manufacturing and contract manufacturing.

### FORMULATIONS MANUFACTURING

Indian pharmaceutical industry can aspire to deepen its presence in global markets, e.g., In the US, by expanding its value share from the current 10 per cent to around 25 per cent by 2030. India's pharma sector could also build a stronger presence in key emerging markets to create a platform for sustained growth. To drive this growth, pharma manufacturers can continue to expand their existing facilities and also diversify to manufacture new drug forms at lower costs. Key opportunities include:

- Upgrading and expanding current manufacturing facilities:**

Most companies are over-dependent on one or two manufacturing units to cater to key growth markets. This results in high complexity at those sites, high utilisation levels, and increased exposure to operating risk (quality, service levels, employee workload, etc.). Companies should continue to invest in expanding their manufacturing footprint and build adequate redundancy to mitigate supply chain risks and build capacity for future growth

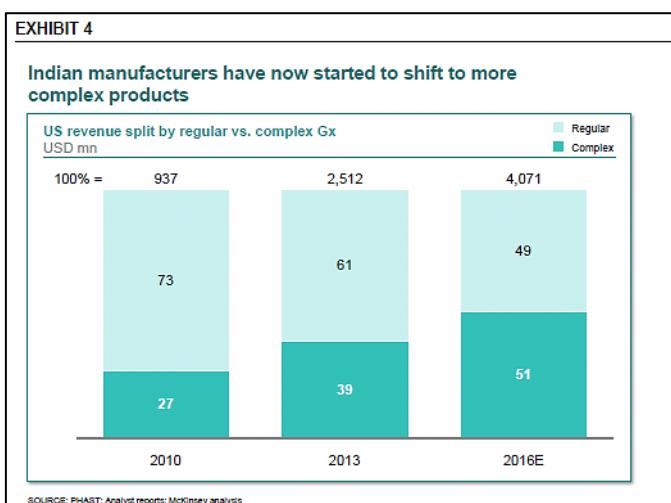
- Scaling capabilities and infrastructure for manufacturing new drug forms:**

Several companies are investing in building manufacturing capabilities in biosimilars. There also seems to be a shift in strategy toward more complex products (Exhibit 4). Pharmaceutical manufacturers should focus on developing scale and capabilities in these areas to build a strong cost and capacity position vis-à-vis global competitors

- Low-cost manufacturing of branded drugs and repurposing of formulations:**

Several Indian generics companies have launched efforts to develop incremental innovation (505b2) drugs and NMEs. These programs will be the growth vehicles for Indian pharma companies particularly in the high value branded pharmaceutical markets. Building the backend for these drugs will also require Indian pharmaceuticals companies to upgrade their workforce and manufacturing capabilities. In due course, India could also attract global pharmaceutical companies to shift manufacturing of their high value branded drugs to India

With years of experience and expertise behind them, Indian manufacturers can easily take lead in formulations repurposing. The area offers unique advantages of shorter cycle times, lower development costs and higher success rates. There is potential to partner as development or manufacturing partner to global pharmaceutical companies.



## BULK DRUG MANUFACTURING

Bulk drug exports from India continue to be strong and are driving growth. They are estimated to have grown from USD 3.7 billion in 2008–09 to an estimated USD 3.9 billion<sup>10</sup> in 2013-14. The bulk drug exports have shifted in favour of regulated markets (49 per cent share in 2013-14<sup>11</sup>) and is expected to continue in this direction. However, there has been an increasing competition from China which has led to a stagnated growth in this space.

For the next horizon of growth, the industry should focus on self-sufficiency in API for the domestic market. India imported APIs and other raw materials worth USD 3.9 billion in 2014-15 which is 5 times the imports in 2004-05 (USD 800 million)<sup>12</sup>. With almost 80 per cent of its bulk drugs imports coming from China, there is an urgent need to bring about self-sufficiency in API sourcing.

## INDIGENOUS VACCINES MANUFACTURING

Indian vaccine manufacturers have emerged as significant players in the global market. India has been a major supplier of basic Expanded Programme on Immunization (EPI) vaccines to the UNICEF. The industry is now able to produce new and more complex vaccines such as the meningitis, Haemophilus influenza Type B, pneumococcal conjugate vaccines, rotavirus vaccines and influenza A (H1N1) vaccines.

India has scope and demand for indigenous vaccines, both existing and new players can capture this opportunity in vaccines manufacturing. Of the 31 vaccines listed by the World Health Organisation, India manufactures 20, which means there is scope for more players to enter the manufacturing space<sup>13</sup>. Introduction of four new vaccines in the Universal Immunization Program (UIP) in 2014 is further expected to promote investment and R&D in vaccines in India.

## **CONTRACT MANUFACTURING**

The global contract manufacturing services market is estimated at USD 58 billion in 2014, with the Indian sector valued at around USD 5.3 billion<sup>14</sup>. This indicates a vast growth opportunity. The Indian contract manufacturing services sector (CRAMS) has been growing and is further projected to grow at a rate three times higher than that of the global market—18 per cent CAGR till 2018<sup>15</sup>. Contract manufacturing contributes to up to 60 per cent of formulations and bulk drug manufacturing and continues to present itself as a significant growth opportunity.

With increasing pressures on managing costs and shortening time to market globally, Indian CRAMS companies with product mix skewed towards high-end research, biologics and complex technology services at low cost and abundant pool of skilled professionals are preferred players. They now need to be viewed as strategic partners rather than transactional suppliers. With strategic partnerships, their range of services can be expanded to include new drug forms, including biologics and parenteral drugs.

(Source: Realising “Make in India” – Journey to become the most preferred manufacturer of high quality affordable medicine By Federation of Indian Chambers of Commerce and Industry; [www.ficci.in](http://www.ficci.in))

## **FRANCHISE MARKETING**

India is figured as one of the world’s biggest commercial destinations. Fringed to the boom of the IT industry and industrial expansion, franchising has advanced as one of the strongest business models that guarantees to procure rich profits. The franchising industry in India has witnessed progression from a debatable format to an acceptable approach for business growth with all the major global companies emerging to grow by the route of franchising.

According to analytical reports, the Indian franchise industry is currently estimated at \$24 billion with an expectation to reach \$35 billion by 2020. India is the second-fastest evolving economy in the world with a growth of 75% in consumer spending over the last four years. Amid such evolution, the franchising industry will certainly propound new and better opportunities to innumerable brands in 2015.

With an expectation to quadruple in volume in the next five years, the Indian franchise industry will contribute approximately 4% to India’s gross domestic product in 2017. By monitoring the rising trend of franchising in India, several cultures, languages and socio-economic brands are eyeing India as their target market. Retail, health and wellness, food and beverages, education and customer services are some of the key industries that possess high potential for successful franchise opportunities in India. The individual growth and the promise of these categories are driving the development of the franchise industry.

Presently there are more than 3,000 franchise brands in India and around 1,000 global brands every year are contemplating entry plans for Indian territories. For 2015, experts see a lot of potential for restaurant (food industry) franchising; specialty restaurants and gourmet brands in particular might prosper. The other sector which would encompass a plethora of opportunities would be healthcare.

According to a report by Equentis Capital, the healthcare ecosystem is expected to reach 158.2 billion US Dollars by 2017. It is also observed that in India, 26% of the franchise buyers are women.

### **Conclusion**

Though franchising in India is a relatively new business model, it has gained satisfactory recognition amongst entrepreneurs across the country. Certainly, the notion necessitates Indian laws to become more liberated regarding globalisation; the analytical reports seem to praise the pace of its development and growth in India. The advanced mind-set has unlocked many doors for leading global brands to enter India through franchising, making the nation the best place for these businesses to achieve exponential growth.

Industry experts claim a bright future for the franchise concept in India, expecting it to become a major part of the economy. The franchise business model is well-suited for a promising nation like India which supports a widespread distribution of capital.

### **Franchising potential in India**

Though the Franchising in India is at a very nascent stage, but this industry has clocked the growth rate of 25-30 per cent, the second fastest growing industry. Organized retailing though only at 6 per cent of the retailing, will take off in a very big way. The Indian middle class is slowly expanding and now buys consumer appliances with more disposable income. India offers lot of potential for the franchising community. Apart from Indians being very entrepreneurial, franchising as a way of doing business has been well accepted.

(Source:<http://india.franchiseasia.com/blog/the-franchise-industry-in-india-in-2015-trends-and-highlights/?r=4792>)

## OUR BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Zota Health Care Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

### OVERVIEW

Our Company Zota Health Care Limited, was originally incorporated on July 12, 2000 vide Certificate of Incorporation issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. We are a pharmaceutical company, engaged in developing, manufacturing and marketing pharmaceutical products. We mainly market generic, patented and OTC pharmaceutical products, which we commercialize through the network of our distributor channel for our domestic sales.

Our Company started operations in 2000 by marketing pharmaceutical products on a local level. Over the years we have built a steady position for ourselves in the domestic market which can be witnessed by the growth in our revenue from domestic operations from Rs. 3,200.94 lakhs in 2012 to Rs. 5,845.59 lakhs in 2016. The backbone of our revenue from operations is our distribution network, team of medical representatives and our marketing team. At present, we have around a distribution network of 1,000 distributors and a team of more than 100 medical representatives. Our Company has more than 20 marketing divisions and vast product portfolio of around 3,000 products. In addition to being vast, our product portfolio is also diversified in nature, with our offerings ranging from allopathic medicine to ayurvedic to healthcare products. We offer varieties of tablets, capsules, ointments, oral liquids, injectable to meet customer needs. Our Company has also ensured to have its presence spread throughout the country and has achieved the same by supplying in all the 4 regions of the country.

We have applied for patent of 19 unique formulations, wherein we have been granted approvals for 6 formulations.

We have also taken initiatives for digital marketing strategy and have already launched a mobile application for our division “Nutravedic.com” and are in process of launching another application to integrate the markets and reach customers at large. Further we have purchased the marketing rights of Astra-Idl Ltd. for a period of three years to strengthen our market segment of generic medicines.

Establishing a position for ourselves in the domestic market, we took the next leap in 2011 by setting up our own manufacturing unit at Special Economic Zone, Surat to foray in international markets. Our manufacturing facility is equipped with the necessary machineries and resources. For the year ended March 31, 2016, our export operations contributed 9.34% of our total revenue from operations. We have applied for 230 registrations in 15 countries for some of our products, out of which we have successfully received 46 approvals from 10 countries and are in process of obtaining remaining approvals, which will give boost to our manufacturing operations and increase our export share. Currently we are manufacturing capsules and tablets at our manufacturing facility. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which in turn enhance our products range.

Our Company is the brainchild of our promoters ie. Ketankumar Zota, Manukant Zota, Himanshu Zota and Kamlesh Zota who have been the pillars of our growth. Driven by passion for building an integrated pharmaceutical company, backed by their more than decade of experience, our Promoters have built the formation and values system of our Company. With their enriching experience and progressive thinking, we aim to continue grow in the pharmaceutical industry.

#### Few of our Awards and Accolades are as follows:

- Nominated for Emerging India Awards 2013 in its respective category conducted by CNBC, TV18, ICICI Bank & Crisil
- Selected for European Patent Office Survey from amongst 800 pharmaceutical aspirants

- Winner of Business Excellence Awards 2015(Company of the Year-mid segment) by CIMS at Indian Pharma Expo
- Winner of Business Excellence Awards 2016(Company of the Year-mid segment) by CIMS at Indian Pharma Expo

#### **Our Registered Office:**

The registered office is situated at Zota House, 2/896 Hira Modi Street, Sagrampura, Surat-395002. Our office is centrally located in Surat and admeasures 5,500 square feet area.

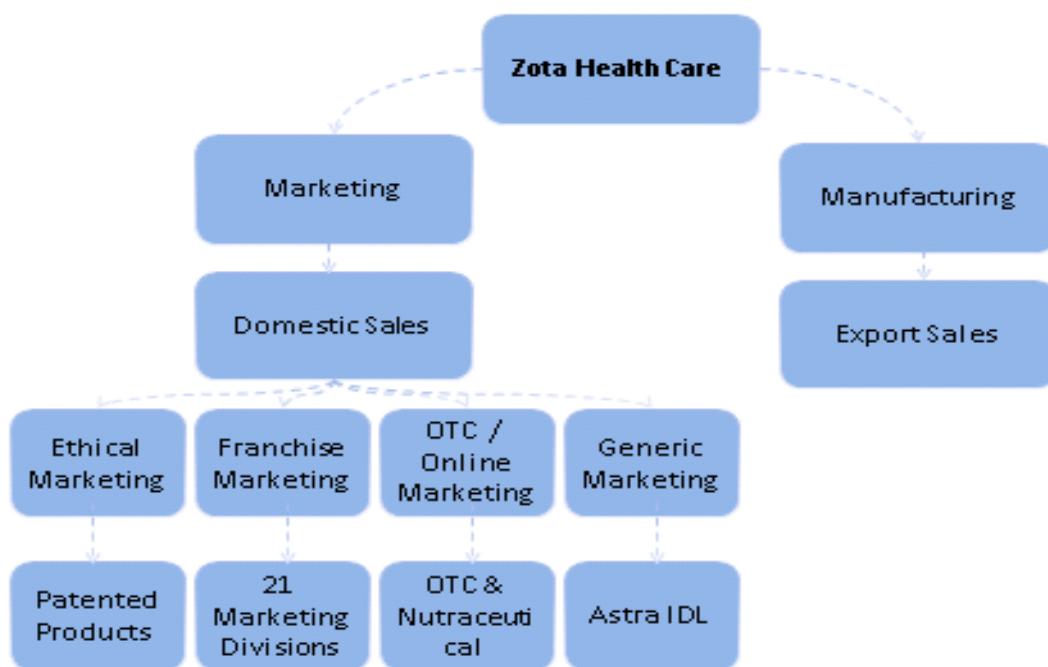
#### **Our Warehousing Unit:**

Our warehousing unit is located at the Pandesara, Udhna Navsari Road, Surat and admeasures 45,000 sq. ft. area.

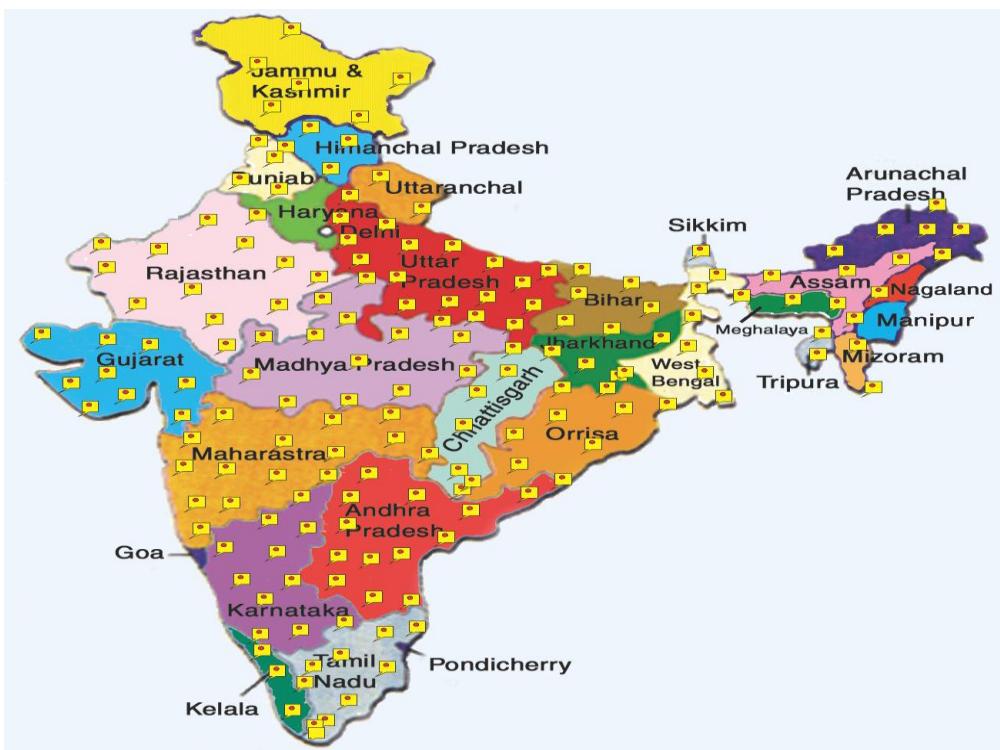
#### **Our Manufacturing Unit:**

Started in the year 2011, our manufacturing SEZ unit located at Plot No. 169, Surat Special Economic Zone, Near Sachin Railway Station, Surat-394230 admeasures 30,000 sq. ft.

### **OUR BUSINESS STRUCTURE**



## OUR DISTRIBUTION PRESENCE IN COUNTRY



## FORM OF PRODUCTS MANUFACTURED BY OUR COMPANY FOR EXPORT

The SEZ unit is dedicated to the manufacture of FDFs. (Finished Dosage Formulations) for our export markets. We also job-work the formulations as provided by peers of our industry to resist the capacity utilization of our unit, till we receive approvals from the other countries.

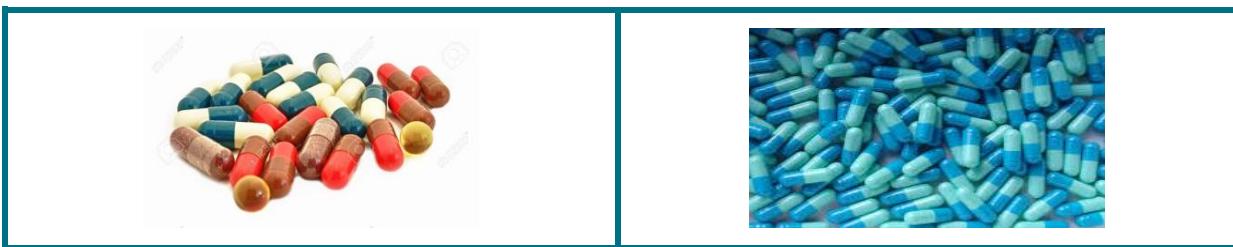
### I. Tablet

A medicine in a tablet form is a dosage which is provided to the patients. It is a solid form of medicine which may contain diluents and prepared by molding or by compression.



### II. Capsule

A medicine in a Capsule form is a dosage which is provided to the patient. It is in powder form which may contain mixture of two or more medicines and the outer coting is made of gel caps.



## PRODUCT RANGE OF OUR COMPANY

Our Company have diverse product portfolio of Pharmaceutical & healthcare Products. Our Company has requisite infrastructure to accommodate stock of every component. Categories of products dealt in by our Company are as follows:-

Product Areas	Brief Description
Antibiotics	Antibiotics, also called antibacterial, are a type of antimicrobial drug used in the treatment and prevention of bacterial infections
Anti-Malarials	Antimalarial, also known as antimalarial medications, are designed to prevent or cure malaria
Anti-Histamine	A drug or other compound that inhibits the physiological effects of histamine, used especially in the treatment of allergies
Analgesic	An analgesic or painkiller is any member of the group of drugs used to achieve analgesia, relief from pain
Psychiatric Product	A product relating to mental illness or its treatment
Skin Care Products	A product relating treatment of skin related problems
Injections	An injection is an infusion method of putting fluid into the body, with a syringe; pierced through the skin
Anti-Hypertensive	Antihypertensive are a class of drugs that are used to treat hypertension (high blood pressure)
Neutraceutical Products	Nutraceutical product is a food or fortified food product that not only supplements the diet but also assists in treating or preventing disease (apart from anemia), so provides medical benefits
Antacid Preparation	Antacid preparations serve to neutralize gastric acid after it is secreted. These still-helpful agents have a continuing role in treating mild, occasional heartburn and supplementing prescription drugs in more severe disease
Eye and Ear Drops	Eye drops are treating to delay or prevent glaucoma, or helping dry or irritated eyes stay moist, they're getting more use than ever before. Ear drops are a form of medicine used to treat or prevent ear infections, especially infections of the outer ear and ear canal
Calcium Supplements	Calcium is a nutrient that is essential for strong bones. It is a dietary supplement used when the amount of calcium taken in the diet is not enough
Cardiovascular Products	Medicines for diseases relating to the structure and function of the heart and blood vessels
Dental Products	Products for the care of dental care
Ayurvedic Products	Ayurvedic products are known as medicine from the natural origin

## BUSINESS PROCESS

Our business revolves around studying the needs of our clients and supplying products:

### 1. Identification of current market requirement and emerging diseases:-

Our Company strives hard to be updated and constantly figuring out the medicines required for the diseases impacting the public health. Based on the market demands, medicines are bought from various manufactures and are then stored at our Warehouse. These medicines are then transported to our distributors and vended on PAN India basis.

### 2. Sourcing the material:

Based on feedback of our team, we explore the various options for sourcing the products. For identifying the vendors, we assess the various possible options on factors such as capacity, credibility in the market, quality awareness and experience. After identifying the vendors for the goods, we place purchase orders.

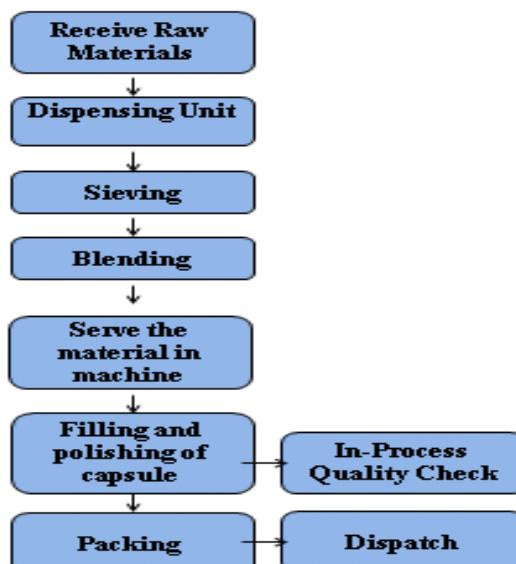
### 3. Procurement and supply:

We procure products as per the requirements received from the Medical Representatives (MRs) or the distributors at various levels. The important task for us is the distribution of products procured as we have procurement and storage at our Warehouse which is in Surat and distribute to our MR's various areas on time.

## MANUFACTURING PROCESS

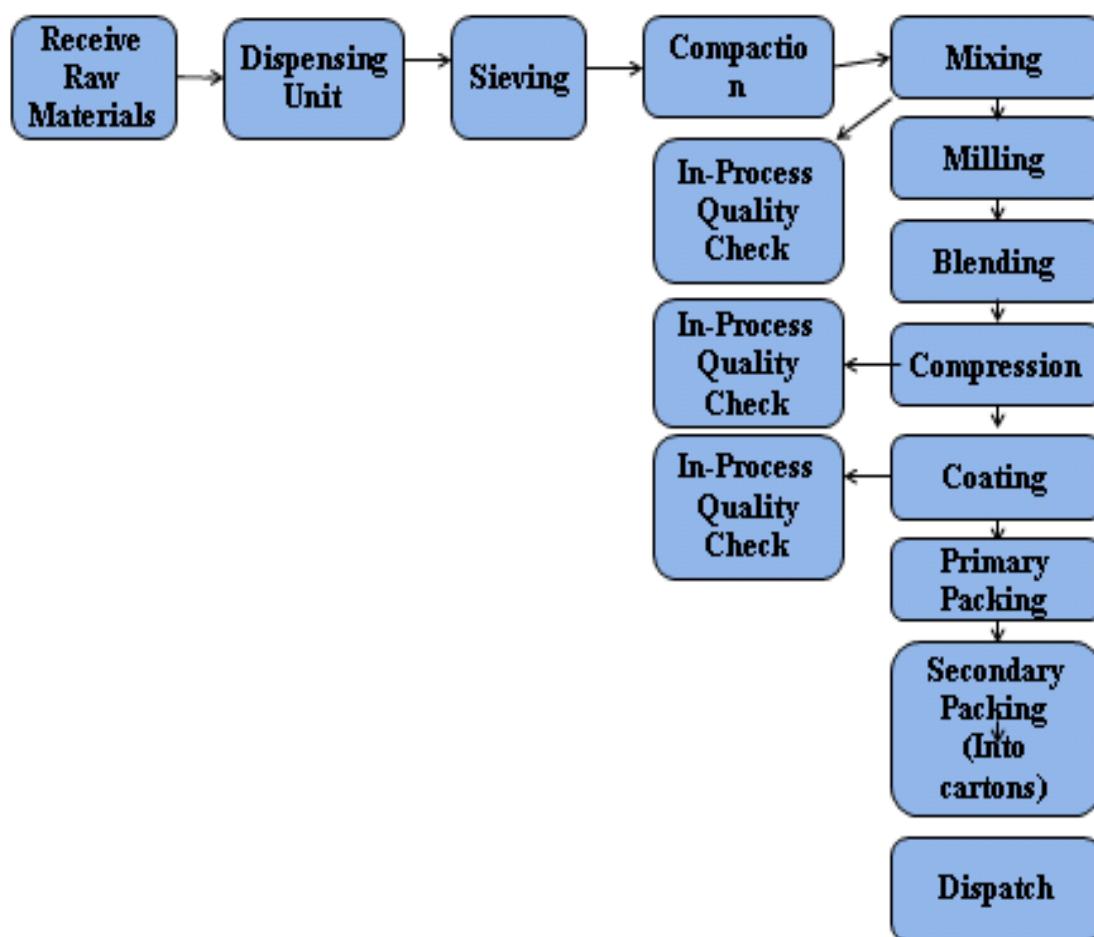
### Capsules:

Our Company has automatic capsule filling machine which is suitable for filling powders and pellets. The machine is functional in use as they have capabilities for output and over rules handy operations. It also conforms to the GMP guidelines with various safety features for maximum protection. Capsule fillers are used to fill gelatin with pre determined quantity of liquids, powders, pellets and tablets. Capsules are normally fed into the machine, the filler then align, opens and accurately fills each capsule and recloses. Fillers generate minimum dust with lowest level of product loss. Non-separated, double loaded capsules and improperly inserted capsules are automatically rejected by machines to maintain the consistency in the quality of product. Most capsule fillers are characterized with fast changeover time to accommodate a variety of capsules in terms of shapes and size. These machines require minimal maintenance and are easy to clean. Also, the installation of speed adjusting equipment and automatic counters ensures the right quantity of capsules being filled and packed.



**Tablets:**

The manufacture of tablets is a complex multi-stage process under which the materials change their physical characteristics a number of times before the final dosage form is produced. The tablets are made by granulation; wet granulation and dry granulation. Regardless of whether tablets are made by direct compression or granulation, the steps of milling and mixing, is the same. Numerous unit processes are involved in making tablets, including particle size reduction and sizing, blending, granulation, drying, compaction, and (frequently) coating. Various factors associated with these processes can seriously affect content uniformity, bioavailability or stability.



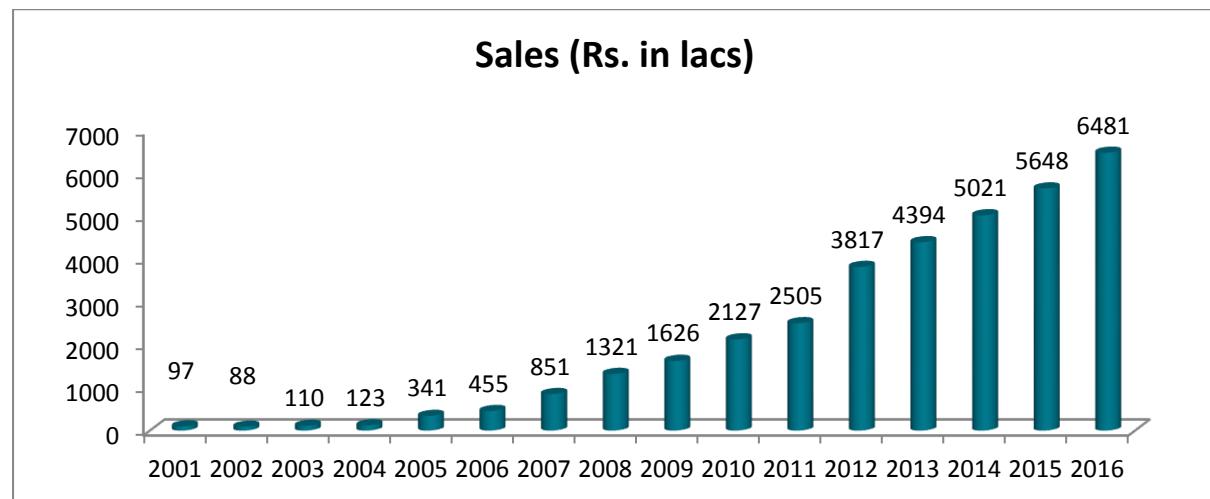
## SALES & MARKETING STRATEGY

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our channels that are associated with our Company. Our team through their vast experience and good rapport with distributors owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company.

We have more than 100 Medical Representatives (MRs) at national level, Zonal level and at local level and having more than 1000 direct distributors across the country.

We believe our relationship with our distributors is cordial and established as we receive repeat order flows. To retain our distributors, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by reaching out to other geographical areas. Our marketing team is ready to take up challenges so as to scale new heights.

Our Company since incorporation has witnessed optimistic trend in our business operations. We further aim to expand our activities to create a significant market share and reduce dependence on third party manufacturers to the extent beneficial. With expanded facilities, we also aim to develop state of art technology and achieve operational efficiencies. Our venture to start export in the Year 2011 added more strength to the revenue model of the company. The table mentioned below depicts our growth record.



## OUR COMPETITIVE STRENGTHS



### 1. Our Patented Products:

Our patented products are unique formulations providing us edge over the generic products and influence financial success. As on the date we have 6 patented products and have applied for 13 more products for registration. Further, we have applied for PCT in 142 Countries for 9 formulations. With increased number of patented products our Company will create more niche for our products thereby increasing the revenues of the Company.

### 2. Product Range:

Our Company has product portfolio across 21 divisions offering products under various therapeutic categories. This is coupled with the health care products. We manufacture products on the basis of needs and requirements in the market. Our Company markets approximately 3000 products in domestic market and has a portfolio of approx. 300 products for overseas market. We believe that we have necessary resources, experience and network to launch additional products in future.

### 3. Global Presence:

Currently our Company caters to markets in about five countries and are expecting approvals from other countries as well. We have marked export revenue of Rs.6.07 Crs. in the F.Y.2015-16 which is 9.34% of our total revenue. Also, our manufacturing facility is set up in special economic zone, which abides by the CGMP guidelines structured WHO to meet international standards. This enables our manufacturing facility to register in various regulated and semi-regulated countries. Our footsteps in international market will help us mitigate risk for any unforeseen circumstances in the domestic market.

#### **4. Marketing Rights of Astra IDL:**

The brand “Astra IDL” is well established in the pharmaceutical company. Our Marketing Alliance Agreement with Astra IDL Limited has been effective from January 01, 2016 and believes the synergy will escalate the turnover of our Company. We manufacture, package, sell, and distribute products under trademarks owned by Astra IDL. The alliance encourages us in tapping specific markets and develops local distribution channels.

#### **5. Distribution Channel:**

Our Company has systematic distribution channel which is effective for supplying products stocked at our warehouse. We have more than 100 Medical Representatives (MRs) at National level, Zonal level and at local level. At national level, our company's representative take care of the prospective demands and accordingly stock the goods, at regional level company's representative inform the national level person to stock certain amount of products in certain quantity which are required by him at regional and also at local level and at local level company's person inform the regional level personnel to take care of the requirement at the local level. Our Company's effective storing of products is the key for the distribution channel. Our Company strives hard to deliver the products before the deadline.

#### **6. Research and Development:**

Our Company has experienced and qualified team heads which constantly strive for innovations of new formulations. The team continuously works on developing processes, filing process patents, process improvements and effecting cost efficiencies. We have applied for patent of 19 unique formulations, wherein we have received approvals for registration of 6 formulations. This positions our Company as a preferred supplier and further strengthens our market share once we commercialize the patented products. Our Company has manufacturing facilities at SEZ, which comply with standards of- cGMP and WHO. We believe that registration of manufacturing unit with several countries and their inspection can be the major influencers for the innovator companies in market to source their requirements from our Company.

#### **7. In-house Quality Check:**

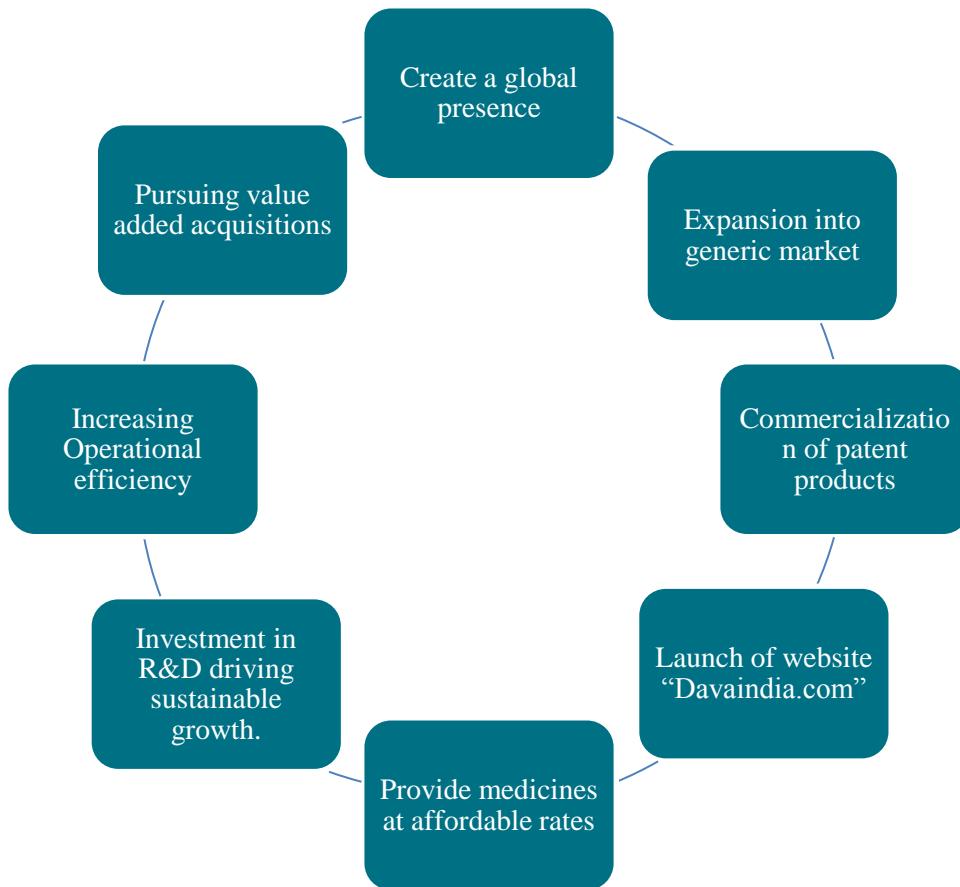
The main and important crux of any business organization is quality. Be it in a service or manufacturing industry quality plays an important role. Without quality no company can survive in the market. Our Company is very much conscious for the quality of products sold. The prime importance of ours is to provide quality products which are not harmful to the customers and also improve to the quality on continuous basis.

Our SEZ Unit abides by the CGMP guidelines setup by WHO to meet international standards for manufacture and supply of FDF's. We believe that such certifications and accreditations would allow us to market our products in regulated and semi – regulated markets. Also, our Company follows stringent standards of production to assure quality of products manufactured. We have recruited highly skilled and dedicated pharmaceutical as well as technical professionals which form backbone of our Company.

#### **8. Experienced Promoters and management team:**

Our Promoters are engaged in the pharmaceutical business since decades and have rich experience in the pharmaceutical industry. Their educational qualification related to our industry adds more strength to their experience. For further details of our Promoter's experience and background, please refer the chapter titled “Our Promoter and Promoter Group” on page no. 206 of this Red Herring Prospectus. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having technical and operational experience. Our management team's experience and their understanding of the pharmaceutical business enable us to continue to take advantage of both current and future market opportunities.

## BUSINESS STRATEGY



### 1. Create a global presence

Currently we have presence in several Asian and African countries. Our revenues from exports have increased from Rs. 2.95 Crs in the F.Y. 2014-15 to Rs. 6.07 Crores in the F.Y. 2015-16. We have also applied for patent registration of our product RT-FiT in more than 30 countries. Our product portfolio is primarily focused on offering differentiated products and register innovative formulations. We intend to continue to grow our sales in Kenya, Utopia, Myanmar, Sri Lanka, Georgia, Tanzania, etc. by aggressively registering our remaining products in these markets.

Our growth strategy in the Rest of World will vary from country to country depending on their specific regulatory requirements. We may either form important relationships with companies having strong local presence or alternatively appoint local distributors through which we can undertake our own sales and marketing.

### 2. Expansion into generic market

Today usage of generic drugs is increasing constantly in developing countries and access to inexpensive, generic drugs is critical to many patients. We have introduced many generic products in the market. For further expansion we have entered into marketing alliance agreement with the Astra-IDL Limited. As per this agreement we use the brand name Astra-IDL which has large market for generic drug; and thereby will elevate us further up the value chain.

### **3. Increase market in domestic market by Commercialization of patent products and OTC products**

Zota witnesses presence across India. We are having more than 1000 direct distributors across the country. During the year 2014-15 our domestic turnover was Rs. 53.51 Crores while in the year 2015-16 our turnover was Rs. 58.66 Crores (i.e. 8.45 % increase).

We are having 6 patented products and have applied for 13 more products for registration. We believe these patented products of our company will further increase revenue of the company. We also plan to commercialize our patented products.

To increase sales of the company, we are also focusing on expanding our distributors network and increase presence of our company on PAN India basis. We have recently launched our new portal [www.nutravedic.com](http://www.nutravedic.com) to sell nutraceutical and ayurvedic products.

We are looking forward to integrate in OTC segment with our new products like Dip Sip-an energy drink and Choco-Tab. We further plan to develop toothpaste and by this we shall mark our presence in FMCG segment as well.

### **4. Launch of website “Davaindia.com”**

Leveraging the m-Health space and e-commerce platform in pharmaceuticals has become an important distribution medium for the sector. As the sector matures, it is believed that e-commerce platform and e-communications would likely become the next major theme of pharmaceutical distribution and may have a profound impact on the entire pharmaceutical industry and its supply chain. A portal and mobile application [www.davaindia.com](http://www.davaindia.com) is designed and developed to leverage the unexplored space of digital media and digital communications. Our Company through the portal propose to distribute generic medicines at affordable price and make them available to the remote regions of the country. Initially, Cardiac drugs, Anti-Diabetics drugs and a few general and OTC products would be distributed in the Metros, major Tier-I cities and Western Zone. Once the distribution and supply chain network is established, therapeutic range would be expanded.

### **5. Provide medicines at affordable rates**

At Zota, we believe that every person should get their right to have a good health. Our Company endeavors providing our medicine that stands affordable to all class of people. We are dedicated towards reducing our cost of production and intent to be cost effective.

### **6. Investment in R&D driving sustainable growth.**

We intend to continue to drive our R&D initiatives towards the development of innovative formulations for our domestic and international market. Our primary focus is to research and innovate new formulations to increase the portfolio of our patented products, so that the company can get due advantage by commercializing them. We also intend to improve our R&D capabilities, with a focus on capturing more high-value first-to-market opportunities in key international markets, as well as leveraging our broad product basket to enhance our market position globally.

### **7. Increasing Operational efficiency**

We will continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, quality check, and technology development. Our employees are regularly motivated to increase efficiency with error free exercise. We also strive to improve the quality of the formulations arranged.

## **8. Pursuing value added acquisitions and expanding through collaborations and joint ventures.**

In the past, we have made acquisitions of brands to drive growth and we intend to continue to use this strategy in the future. We also plan to enter into other business arrangements including marketing authorizations of technology platforms for future development that may complement or enhance our business, either through expanding our market share in attractive markets or acquiring niche products to complement our product basket. Our Company also intends to develop new business partnerships and build upon existing partnerships with innovator companies and capitalize on business opportunities in the industry.

### **SWOT ANALYSIS**

Strengths	Weakness
<ul style="list-style-type: none"> <li>➤ In depth knowledge of promoter in industry and their decades of experience</li> <li>➤ Track record of Company for 16 years indicates its ability to survive business and economic cycles</li> <li>➤ Diverse customer base, varied product range and wide spread reach</li> <li>➤ Marketing network and the channel of more than 1000 distributors</li> </ul>	<ul style="list-style-type: none"> <li>➤ Intense competition from several unorganized players</li> <li>➤ Long gestation period in registration and product commercialization</li> </ul>
Opportunity	Threats
<ul style="list-style-type: none"> <li>➤ Commercialization of patented products</li> <li>➤ The growth of middle class has resulted in fast changing lifestyle. This has resulted creation of huge markets for lifestyle drugs, which has very low contribution in the Indian Market</li> <li>➤ Capitalise unutilized capacity</li> <li>➤ Exploring OTC products space</li> <li>➤ Markeing of Astra IDL</li> </ul>	<ul style="list-style-type: none"> <li>➤ Change in regulatory norms in our country/ exporting countries</li> <li>➤ Malpractices by some players in industry affect overall performance of emerging companies</li> </ul>

### **STANDING OF OUR COMPANY IN COMPARISION WITH PROMINENT COMPETITORS**

Our Company operates in the pharmaceutical sector which faces competition from domestic as well as international players. Competition emerges not only from the organized and unorganized sector but also from small and big players. Its competitiveness depends on several factors including quality, price and customer service. Internationally, competition typically comes from low-cost operations in other emerging countries.

### **RAW MATERIALS**

Raw materials essential to our business are procured in the ordinary course of business from numerous suppliers. Our manufacturing processes require a wide variety of raw materials including excipients, essences, pharma-grade sugar, colorants, packaging materials (such as primary, printed and other materials). We purchase these raw materials from a list of sources that we maintain, which has been approved by our internal quality control department following set standards as well as by our customers. We carefully assess reliability of all materials purchased to ensure that they comply with the desired quality and safety standards required for our products. In an effort to manage risks

associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. Our raw material sourcing is not dependent on a single source of supply and we have access to alternate sources for our procurement of raw materials.

## UTILITIES & INFRASTRUCTURE

### Infrastructure Facilities

Our registered office, branch office and factory site is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing facility is equipped with requisite utilities and infrastructure including the following:

#### Power

We have arrangements for regular power supply at our factory premises, registered office and warehouse/ branch office. We meet our power requirements by purchasing electricity from Dakshin Gujarat Vij Company Limited (DGVCL). The current sanction limit provided at our manufacturing facility to us is 250 KVAH. For contingencies, we have installed a generator.

#### Water

Our manufacturing unit's current water requirement for carrying out manufacturing operations, human consumption and general needs of the employees is met by Diamond and Gem Development Corporation Limited (developer of Surat SEZ). As high purity water is used in the pharmaceutical industry, our Company has installed water purification / processing system which ensures required purity of the water. Further our registered office and warehouse/ branch office has adequate water supply arrangements for human consumption purpose.

#### Air Handling Unit

The Air Handling System is installed to maintain the temperature within our manufacturing premises which includes climatic conditions, humidity controlled by dehumidifier, air flow etc. Clean Room AHU's are provided with appropriate pre-filters and terminal High Efficiency Particulate (HEPA) Air Filters. The clean rooms are maintained at appropriate air pressures to avoid contaminations and relative humidity.

#### Fuel

The diesel requirement at our manufacturing facility is met by purchasing it from a nearby fuel station located adjacent to SEZ Zone, Sachin, Surat

## CAPACITY AND CAPACITY UTILISATION

Our manufacturing unit located at Surat SEZ unit is currently into manufacturing of capsules and tablets. The production and utilized capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following tables:

#### Past Capacity:

Sr. No .	Particular s	Production Capacity	Utilization					
			2013-14	2013-14 (%)	2014-15	2014-15 (%)	2015-16	2015-16 (%)
1.	Tablets	48,00,00,000	5,03,92,500	10.50 %	9,20,99,800	19.19 %	15,33,25,990	31.94 %
2.	Capsules	54,00,00,000	8,45,14,500	15.65 %	1,69,52,500	3.14%	97,60,335	1.81%

## Proposed Capacity

Sr. No.	Particulars	Production Capacity	Utilization					
			2016-17	2016-17 (%)	2017-18	2017-18 (%)	2018-19	2018-19 (%)
3.	Tablets	48,00,00,000	30,00,00,000	62.50%	45,00,00,000	93.75%	60,00,00,000	125.00%
4.	Capsules	54,00,00,000	5,00,00,000	9.26%	8,00,00,000	14.81%	12,00,00,000	22.22%

*Note: Our Company in 2011 has set up its own manufacturing unit at Special Economic Zone, Surat to foray in international markets. Since the pharmaceutical industry is most regulated industry, it takes much time in receiving product registration from other countries. Albeit, our Company has applied for registration in several countries, the same is expected at earliest. Once we receive approvals the capacity utilization shall be effective accordingly.*

## COLLABORATIONS

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

## HUMAN RESOURCES

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

As at December 31, 2016, we have 64 employees at our manufacturing facility. These employees look after our manufacturing operations including production, quality controls, technical and engineering support services, stores and administration. Further at our registered office we have 16 employees. These employees look after marketing, administration, accounting, secretarial and other functions. At our warehouse, we have around 63 employees who mainly look after storage, packing and dispatch functions. Further we have a team of around 100 medical representatives who manage our marketing operations across different states of India. All these employees are guided and supervised by our directors. We also have a research and development team headed by an experienced doctor who looks after development of new formulations. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

Our employees are not currently unionized, and there have been no work disruptions, strikes, lock-outs or other employee unrest to date. The Company believes that its relations with its employees are good. We maintain safety standards in our facilities to ensure that none of our employees are exposed to any hazards.

## COMPETITION

Our Company operates in the pharmaceutical sector which faces competition from domestic as well as international players. Competition emerges from both organized and unorganized sector. The primary competitive factors consist of quality, price, size of product portfolio and customer service. Moreover, as we seek to diversify into new geographical areas globally, we may face competition local companies, multinational corporations and companies from other emerging markets operating in such markets.

We compete with our competitors on the basis of product quality, brand image, price and reliability. We continuously strive to increase our distribution channel to increase our domestic presence and for increasing our global reach, we are in process of obtaining new product registrations in overseas countries. We intend to continue compete vigorously to capture more market share and manage our growth in an optimal way by improving our brand image, increase our product offerings, satisfying customer's demands, achieving operating efficiencies, etc.

We see ourselves competing with companies such as Gufic Biosciences Limited, Bal Pharma Limited, Jenburkt Pharmaceuticals Limited, Makers Laboratories Limited, Jagsonpal Pharmaceuticals Limited and Alembic Limited

## INSURANCE POLICIES

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Further, our contractual obligations to our lenders also require us to obtain specific insurance policies.

We have taken Standard Fire & Special Perils Policy for a substantial majority of our assets at our office, factory and warehouse. These policies also insure us against the risk of earthquakes (fire and shock). We also have a Marine Cargo Open Policy that covers our products while in transit. Our policies are subject to customary exclusions and customary deductibles.

We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

## OUR PROPERTIES

We have our properties located at following:

- **Owned Properties:**

Sr.No.	Address of the property	Area of the property	Current Usage
1.	Zota House 2/896 Hira Modi Street Sagrampura Surat-395002	460 square meters	Registered Office
2.	Zota House, Bhagwan Aiyappa Compound, Batali Boi Circle, Pandesara, Udhna Navsari Road, Surat-394221	2864.74 square meters	Warehouse
3.	B/19-6, Hojwala Industrial Area, Sachin Palasana Road, Surat	3613 square meters	Open Industrial Plot. Currently Company does not use this plot for any purpose
4.	Plot. No. K2-4 (J1-42) and K2-5 (J1-43 to J1-47), Bhagwati Industrial Estate, Near Navin Flourine, Bhestan, Surat	2096.15 square meters	Open Industrial Plot. Currently Company does not use this plot for any purpose

- Leased Properties:**

Sr. No.	Location of the property	Document Date	Lessor	Area (sq.mt.)	Period	Current Usage
1.	Plot No. 169, Surat Special Economic Zone, Near Sachin Railway Station, Sachin, Surat-394230*	March 27, 2009	Diamond & Gem Development Corporation Ltd	1500 square meters	15 years with a provision to renew the same in blocks of 15 years or part thereof upto the end of July, of the year 2085 AD.	Factory
2.	Plot No. 182, Surat Special Economic Zone, Near Sachin Railway Station, Surat-394230	June 18, 2011	Diamond & Gem Development Corporation Ltd	1000 square meters	Same as above	Open Industrial Plot. Currently Company does not use this plot for any purpose

\*M/s. Diamond & Gem Development Corporation Limited has vide lease deed dated July 8, 1988 taken the above property on lease for a period of 99 years from Gujarat Industrial Development Corporation, Ahmedabad. Further pursuant to indenture of sub-lease dated March 27, 2009, M/s. Diamond & Gem Development Corporation Limited has sub-leased the said property to our Company in consideration of Rs. 22,50,000/-.

### INTELLECTUAL PROPERTY RIGHTS

At present our Company has 1 registered copyright, 6 registered patents and 112 registered trademarks. Further we have applied for some other copyrights, patents and trademarks, of which some are opposed/abandoned/objection. For details of registered and applied copyrights, patents and trademarks, please refer the chapter titled "Government and Other Statutory Approvals" beginning on page 335 of this Red Heering Prospectus.

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the healthcare and pharmaceutical industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian laws and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

## APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “*Government and Other Statutory Approvals*” beginning on page number 335 of this Red Herring Prospectus.

## APPLICABLE LAWS AND REGULATIONS

### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

#### **The Pharmacy Act, 1948**

The Pharmacy Act was enacted on March 4, 1948 by the Indian Parliament to regulate the profession and practice of pharmacy. The Pharmacy Council of India was constituted for framing and implementing the Education Regulations for minimum qualifications required under the Act for a person to get himself / herself registered as a pharmacist. The Pharmacy Council of India after due inspection gives approval to the institutions who conduct courses of Diploma in Pharmacy or Degree in Pharmacy. The Act provides for the constitution of state pharmacy councils for 117 the maintenance of Registers of Qualified Pharmacists and to prohibit the dispensing of medicine on the prescription of a Medical Practitioner by the persons other than Registered Pharmacists.

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

The Drugs and Cosmetics Act, 1940 (the “DCA Act”) regulates the import, manufacture, distribution and sale of drugs in India as well as aspects relating to instalment, packing and testing as well as matters pertaining to drug formulations, instalment and APIs. It provides the procedure for testing and licensing new drugs. These procedures involve obtaining a series of approvals for different stages at which the drugs are tested, before the Drug Controller General of India, an authority established under the DCA Act (“DCGI”) grants the final license to allow the drugs to be manufactured and marketed. Obtaining an approval from DGCI involves an application to be made to the DCGI. Upon examining the medical data, the chemical data and the toxicity of the drug, the DCGI issues a no objection certificate. The no objection certificate allows the manufacturer of the drug to move on to the next stage of testing at the central drug laboratories. The drug is subject to a series of tests at the central drug laboratories, for its chemical integrity and analytical purity. If the drug meets the standards required by the authority, the authority issues a certificate in that respect.

The DCGI issues a manufacturing and marketing license in respect of APIs. These licenses are submitted by the company seeking to produce the drug, to the drug control administration of the state which clears the drug for manufacturing and marketing. The drug control administration also provides the approval for technical staff as per the DCA Act and Drugs and Cosmetics Rules, 1945 framed under the legislation abiding by the WHO and CGMP inspection norms. The approvals for licensing are to be obtained from the drug control administration. The Central Drugs Standard Control Organisation (“CDSCO”) is responsible for testing and approving APIs and formulations in consultation with the DCGI.

The approval process for conducting clinical trials, manufacturing and marketing of a drug depends on whether the drug is a new chemical entity or a Recombinant Deoxyribonucleic Acid (“RDNA”) product. For new chemical entities, the DCGI is the approving authority. However, for RDNA products, applications have to be submitted to the Department Of Biotechnology (“DBT”) after which they are processed for scientific, safety and efficacy issues by an advisory committee comprising the DBT, the chairman of the review committee on genetic manipulation, the DCGI, the Ministry of Health and Family Welfare, and other experts. If the advisory committee is satisfied, it then recommends the proposal to DCGI who then clears the proposal for Phase I clinical trials. The DCGI reviews the clinical data after every phase based on which it grants approval for entering into the next phase. The Phase III clinical data is 150 examined by the DCGI in consultation with the Genetic Engineering Approval Committee (“GEAC”). Thereafter, the DCGI grants the final approval for manufacturing and marketing the product.

According to the DCA Act and the applicable guidelines for generating pre-clinical and clinical data for RDNA based vaccines, diagnostics and other human clinical trials can be conducted in four sequential phases that may overlap under some circumstances:

- **Phase I:** In this phase, the drug or treatment is introduced into a small group of healthy human beings to evaluate its safety, determine a safe dosage range and identify its side effects.
- **Phase II:** This phase involves studies on a selected group of patients to identify possible adverse effects and risks, to determine the efficacy of the product for specific targeted diseases and to further evaluate its safety.
- **Phase III:** Pursuant to Phase II evaluations demonstrating that a dosage range of the product is effective and has an acceptable safety profile, further trials are undertaken on larger groups of patients to confirm their effectiveness, monitor side effects, compare it to commonly used treatments and collect information that will allow the drug or treatment to be used safely.
- **Phase IV:** In this phase, a study of post-marketing information with regard to the drug's risks, benefits and optimal use is carried out.

Further, the DCGI has vide a notification, made registration of human clinical trial mandatory from June 15, 2009, which will be applicable for clinical trials initiated after June 15, 2009.

Under the DCA Act, the Government may, by notification in the official gazette, regulate or restrict the manufacture, sale or distribution of a drug, if it is satisfied that such drug is essential to meet the requirements of an emergency arising due to epidemic or natural calamities and that in the public interest, it is necessary or expedient to do so or that the use of such drug is likely to involve any risk to human beings or animals or that it does not have the therapeutic value claimed or purported to be claimed for it or contains ingredients and in such quantity for which there is no therapeutic justification.

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

The Drugs and Cosmetics Rules, 1945, enacted to give effect to the provisions of the DCA to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DC Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory’s reports thereon and the fees payable in

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

#### **Essential Commodities Act, 1955**

The Essential Commodities Act, 1955 (the “EC Act”) is enacted to control the production, supply and distribution of trade and commerce in the essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Section 3 of the EC Act confers wide powers on the Central Government to, inter alia, regulate the production or manufacture of any essential commodity, control the price at which any essential commodity may be bought or sold (in accordance with the directions issued by the Central Government). In furtherance of the above powers, the Central Government may order any person, engaged in the production of an essential commodity, to sell the same to the Central or State Government. Under Section 5, various powers of the Central Government under the EC Act have been delegated to the State Governments. Section 6 of the EC Act provides for seizure / confiscation of an essential commodity by a District Collector.

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

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

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

DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any

notice, circular, label, wrapper or other document or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

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

The NDPS Act has been enacted, inter alia to consolidate and amend the law relating to narcotic drugs, to make stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in, illicit traffic in narcotic drugs and psychotropic substances and to implement the provisions of international conventions on narcotic drugs and psychotropic substances. The NDPS Act provides, inter alia, that no person shall produce, manufacture, possess, sell, purchase, transport, warehouse, use, consume, import inter-state, export inter-state, import into India, export from India any psychotropic substance, except for medical or scientific purposes and in the manner and to the extent provided by the provisions of the NDPS Act or these rules or orders made thereunder, and in a case where any such provision, imposes any requirement by way of licence, permit or authorisation also in accordance with the terms and conditions of such licence, permit or authorisation. Accordingly, the Central Government may, inter alia, permit and regulate the manufacture of manufactured drugs (other than prepared opium,) but not including manufacture of medicinal opium or any preparation containing any manufactured drug from materials which the maker is lawfully entitled to possess. Further, rules formulated under the NDPS Act prescribe, among others (i) the forms and conditions of licences for the manufacture of manufactured drugs, the authorities by which such licences may be granted and the fees that may be charged therefor, as also (ii) the forms and conditions of certificates, authorisations or permits, as the case may be, for such import, export or transhipment of narcotic drugs and psychotropic substances, the authorities by which such certificates, authorisations or permits may be granted and the fees that may be charged therefor. State Governments are also granted powers to permit, control and regulate possession, transport, purchase, sale, import inter-state, export inter-state, use or consumption of manufactured drugs other than prepared opium and of coca leaf and any preparation containing any manufactured drug.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Foreign Trade (Development and Regulation) Act, 1992**

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter,

having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India)Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as "micro enterprise", where the investment in plant and machinery does not exceed twenty-five lakh rupees; "Small enterprise", where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, "Micro – enterprise" , where the investment in equipment does not exceed ten lakh rupees, "Small Enterprise" where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or " Medium Enterprise" where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **The Gujarat Infrastructure Development Act, 1999 ("GID Act")**

GID Act provides a framework for participation by persons other than the State Government and Government agencies in financing, construction, maintenance and operation of infrastructure projects. GID Act provides that any person may participate in financing, construction, maintenance and operation of a project and may enter into a concession agreement with the State Government or its specified agency. No concession agreement shall provide for transfer of a project by a developer to the State Government or its specified agency later than 35 years from the date of agreement. A concession agreement for undertaking a project may be entered into with a person through competitive public bidding or by direct negotiation.

### **Gujarat Industrial Policy, 2015**

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat, will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

### **Consumer Protection Act, 1986**

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer’s disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers. To provide steady and simple redressal to consumers’ disputes, a quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justice and have been empowered to give reliefs of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

### **Electricity Act, 2003 (the “Electricity Act”)**

The Electricity Act repealed all the earlier enactments pertaining to the power sector, and provides for the requirement of licenses or permission for the activity of generation of power. The Electricity Act mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. The Electricity Act, inter alia, provides for regulatory interventions for promotion of renewable energy (RE) sources through a) determination of tariff; b) specifying renewable purchase obligation (RPO); c) facilitating grid connectivity and; d) promotion and development of market.

## ANTI-TRUST LAWS

### Competition Act, 2002

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

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

## GENERAL CORPORATE COMPLIANCE

### The Companies Act, 1956 and The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

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

## EMPLOYMENT AND LABOUR LAWS

### Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Employees Pension Scheme, 1995**

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

### **Employees' State Insurance Act, 1948 (the "ESI Act")**

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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

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

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Payment of Wages Act, 1936 ("Wages Act")**

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

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

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

### **Maternity Benefit Act, 1961**

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

### **Equal Remuneration Act, 1976**

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

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

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

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

The Factories Act, 1948 ("Factories Act") aims at regulating labour employed in factories. A "factory" is defined as "any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a

manufacturing process is carried on without the aid of power, or is ordinarily so carried on...". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

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

#### **Bombay Shops and Establishments Act, 1948**

This Act extends to the whole of Maharashtra and it is also applicable to the state of Gujarat. All the Commercial Establishments needs to obtain the approval under this Act. The Commercial Establishments for the purpose of this Act means an establishment which carries on, any business, trade or profession or any work in connection with, or incidental or ancillary to, any business, trade or profession and includes establishment of any legal practitioner, medical practitioner, architect, engineer, accountant, tax consultant or any other technical or professional consultant and also includes] a society registered under the Societies Registration Act, 1866 (XXI of 1860), and a charitable or other trust, whether registered or not, which carries on [whether for purposes of gain or not] any business, trade or profession or work in connection with or incidental or ancillary thereto but does not include a factory, shop, residential hotel, restaurant, eating house, theatre or other place of public amusement or entertainment.] Various provisions like opening and closing hours of establishment, daily and weekly hours of work in shops and commercial establishment, holidays in a week are all provided for under the Act. A registration certificate needs to be obtained under the Act by the employer of every establishment. Our establishment has obtained Certificate of Registration for business purpose.

#### **Workmen's Compensation Act, 1923**

The employment of construction workers for the Company's business is regulated by various labour laws, rules and regulations including the Workmen Compensation Act, 1923, the Payment of Wages Act, 1936, the Employees' State Insurance Act, 1948, the Factories Act, 1948, the Minimum Wages Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Payment of Bonus Act, 1965, the Contract Labour (Regulation and Abolition) Act, 1970 and the Payment of Gratuity Act, 1972, where applicable.

#### **Industrial (Development and Regulation) Act, 1951**

The development and regulation of certain industries are governed under this act. For the purpose of advising on matters relating to relating to development and regulation, the central government may establish a council known as central advisory council. This council shall have not more than 31 members including the chairman who shall be appointed by the Central Government. Every industrial undertaking shall be registered within such period as the central government may notify in this regard. The Central Government has direct power to assume management or control of an industrial undertaking owned or for companies in liquidation.

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Disputes (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Disputes (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

## **SEZ RELATED REGULATIONS**

### **Special Economic Zones Act, 2005 (“SEZ Act”)**

The Parliament has enacted SEZ Act for the regulation and development of SEZ. The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory 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 the SEZ and ensuring its orderly development. BOA has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

### **The Special Economic Zone Rules, 2006 (the “SEZ Rules”)**

The SEZ Rules, 2006 have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a ‘unit’ in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on ‘self certification’ and the terms and conditions subject to which entrepreneur and Developer shall be entitled to exemptions, drawbacks and concessions etc.

The SEZ Rules also provide for the minimum area requirement for various categories of SEZs. The Developer and/or a Co-developer as the case may be is required to have at least 26% of the equity in the entity proposing to create business, residential or recreational facilities in a SEZ in case such development is proposed to be carried out through a separate entity or special purpose vehicle being a company formed and registered under the Companies Act.

### **Gujarat Special Economic Zone Act, 2004 (“Gujarat SEZ Act”)**

The Gujarat SEZ Act has been passed by the State of Gujarat legislature and it provides for the operation, maintenance, management and administration of a special economic zone in the State of Gujarat. Any person desirous of establishing the SEZ must make an application to the Government of Gujarat in the prescribed form. The State Government might modify the application and make a recommendation to the Government of India. The Gujarat SEZ Act establishes the Special Economic Zone Development Authority. The Gujarat SEZ Act provides for the constitution and functions of the Unit Approval Committee. In addition to the functions entrusted by the Government of India, the Unit Approval Committee grants necessary local and state level clearances, approvals, licenses or, registrations under the state acts for setting up a SEZ.

The Gujarat SEZ Act provides that every SEZ shall be deemed to be an industrial township area. The area of the SEZ shall cease to be under the jurisdiction of any municipal corporation, municipal council, nagar panchayat or gram panchayat or the notified area constituted under the state laws. The Gujarat SEZ Act establishes a Special Economic Zone Development Committee. Some of the functions of the said Committee are to prepare a plan for the development of the SEZ in conformity with the guidelines prepared by the authority; to demarcate and develop sites for industrial, commercial, residential and for other purposes according to the plan; to provide infrastructure facilities and amenities; to allocate and transfer, either by way of sale or lease or otherwise, plots of land for industrial commercial, residential or other purposes; and to regulate the construction of buildings, etc.

The developer of the SEZ has to provide various facilities such as electricity, water, waste distribution and management, minor port and related services, roads and bridges, gas distribution, communication and data network transmission and any other services as may be prescribed. The developer may levy user charges or fees as may be approved by the Special Economic Zone Development Committee for providing infrastructural facilities.

The Gujarat SEZ Act provides that all sales and transactions within the processing area of the SEZ shall be exempt from all taxes, cess, duties, duties or fees levied under any law of the state of Gujarat to the extent of stamp duty and registration fees payable on transfer of land meant for approved units in the SEZ and on loan agreements, credit deeds and mortgages executed by a unit, industry or establishment established in the processing area of the SEZ; sales tax; purchase tax; motor spirit tax; luxury tax; entertainment tax and other taxes and cess payable on sales and transactions. Goods and services purchased by units in the SEZ from the domestic tariff area as input for any product have also been exempted from sales tax and other taxes levied under the laws of the state of Gujarat.

## **TAX RELATED LEGISLATIONS**

### **Gujarat Value Added Tax Act, 2003 ("GVAT")**

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

### **Central Sales Tax Act, 1956 ("CST")**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

## ENVIRONMENTAL LEGISLATIONS

### The Environment Protection Act, 1986 ("Environment Protection Act")

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981("the Act") was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

### Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 ("the Act") was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### The Public Liability Insurance Act, 1991

This 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 take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

## INTELLECTUAL PROPERTY LEGISLATIONS

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

### The Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### Indian Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### The Trade Marks Act, 1999

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

## **GENERAL LAWS**

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

## **POLICIES APPLICABLE**

### **THE FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 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. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy. 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.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. FDI is permitted upto 100 % in Greenfield projects and 74% in Brownfield projects under the automatic route and FDI beyond 74% in Brownfield projects requires FIPB approval. FDI is permitted up to 100 percent under the automatic route in the hospital sector and in the manufacture of medical devices.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in authorised share capital, etc. Hence, this chapter is prepared based on the ROC search reports, data provided by management and to the best of information available.*

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was incorporated as “Zota Health Care Private Limited” at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated July 12, 2000 bearing Registration Number 04-38352 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on July 28, 2008 and the name of our Company was changed to “Zota Health Care Limited” and a Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 18, 2008 was issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U24231GJ2000PLC038352.

Ketankumar Zota, Manukant Zota, Himanshu Zota and Kamlesh Zota are the promoters of our Company and initial subscribers to the Memorandum of Association.

We are a pharmaceutical based company, engaged in developing, manufacturing and marketing a broad range of pharmaceutical products. We mainly develop and market segregated pharmaceutical products, which we commercialize through the network of our distributor channel for our domestic sales. Our Company is equipped with necessary machineries and resources. For information on our Company’s profile, activities, market, products, etc., market of each segment, capacity built-up, exports due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “*Our Business*”, “*Financial Statements as Restated*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” beginning on page 155, 214, 315 and 335 respectively of the Red Herring Prospectus.

### CHANGES IN OUR REGISTERED OFFICE:

At the time of incorporation our Company’s registered office was situated at B/2, Apsara Apartment, Near Annie Besant Hall, Gopipura, Surat-395003. The registered office of our company was then shifted to:

Date	From	To	Reason
December 01, 2005	B/2, Apsara Apartment, Near Annie Besant Hall, Gopipura, Surat-395003	Zota House, 2/896 Hira Modi Street, Sagrampura, Surat-395002	For Administrative Convenience

### KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Events
2000	Incorporated as a Private Limited Company
2004	Acquired all Brand names of Sayona Medicare Pvt. Ltd through MOU
2007	Acquired Trade Mark and Brand Name of Mexon Healthcare Limited including, its two divisions Health Park Laboratories and Aaron Biotech

Year	Events
2008	Conversion into Public Limited Company
2009	Patent Received for "Pharmaceutical Compositions containing Taurine and Race-Methionine for the Treatment of Alcoholism"
2010	Acquired Trademark Rights and Good will of Zota Pharmaceuticals and A TO Z pharmaceuticals
	Export oriented speciality manufacturing unit was inaugurated in Sursez to cater worldwide needs of medicines
	Patent Received for "An Antioxidants Granule Compositin"
	Patent Received for "A Formulation to Reduce Inflammation of Bones and Joint Friction"
	Patent Received for "Anti Inflammatory Composition"
	Patent Received for "A Pharmaceutical Oral Formulation"
2011	Patent Received for "Novel Oral Pharmaceutical composition for the treatment of Respiratory Allergic Disease"
	Acquired Trade Mark, Brand Names, Franchise, Marketing Network, etc. of Vision Medilinks to cater further growth
	Expanded its business beyond the geographical boundaries of India and started trading and dealing with African countries
2012	Selected for European Patent Survey Office for a survey amongst 800 global pharmaceutical aspirants.
2013	Acquired Trade Mark, Brand Names, Franchise, Marketing Network, etc Secure Healthcare Inc and Effect Biotech Inc
	Nominated for "CNBC-TV-18 Emerging India Award-2013"
	Acquired Trade Mark and Brand Names Redix Lifecare for a further growth and a wider reach
2014	Received Kenya (PPB) regulatory and Sri Lanka (CDDA) regulatory approval for Sursez plant.
	Crossed turnover of Rs. 50 Crs
2015	Awarded with IPE-Business Excellence Awards 2015 in the category of Company of the year "Mid Segment"
2016	Effectuated "Marketing Alliance Agreement" with Astra-IDL Limited to strengthen its mark in generic product segment
	Received IPE-Business Excellence Awards 2016 in the category of Company of the year "Mid Segment" for the consecutive year

### MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on in India or elsewhere the business to manufacture, produce, process, prepare, treat, disinfect, compound, formulate, mix, concentrate, pack, repack, refine, add, remove, pure, preserve, grade, freeze, distillate, boil, sterilize, improve, extract, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, research, discover, manipulate, market, supply and to act as an agent, broker, distributor, representative, consultant, collaborator, stockiest, liaisoner, middlemen, job worker or otherwise to deal in all types, descriptions, specifications, strengths and applications of pharmaceutical and chemical products of medicaments in all its branches such as allopathic, ayurvedic, homeopathic, herbal, unani, siddha, bio-chemic etc., used for cure and healthcare of human beings and animals including, basic drugs, intermediates, tonics, antibiotics, enzymes, steroids, vitamins, hormones, biological & immunological chemicals, contraceptives, surgical plaster of paris, surgical, dressing, belladonna plasters, dressings, bandages, wadding, gauzes, adhesives, belts, sutures, ligatures, rubber goods, vaccines, toxins, ferments, yeasts, medical gases, diagnostic agents, oils and tinctures, medical products in all forms such as capsules, tablets, powders, ointments, syrups,

injectable, pills, fluids, granules, sprayers, inhalers, mineral water, droppers, removers etc., veterinary medicines, poultry medicines, herbal products, their by-products, intermediates, residues, mixtures and compounds and other allied goods.

2. To create, Develop, establish, In-House Research and Development facilities for all types, descriptions, specifications, strengths and applications of pharmaceutical and chemical products of medicaments in all it's branches such as Allopathic, Ayurvedic, Homeopathic ,Herbal Unani, Siddha, Bio-chemic etc. used for cure and healthcare of human being and animals including, basic drugs, intermediates, tonics, antibiotics, enzymes, steroids, vitamins, hormones, biological & immunological chemicals, contraceptives surgical plaster of paris surgical dressing, belladonna plasters, dressings, bandages, waddings, gauzes, adhesives, belts, sutures, ligatures, rubber goods, vaccines, toxins, ferments, yeasts, medical gases, diagnostic agents, oils and tinctures, medical products in all forms such as capsules, tablets, powers ointments, syrups, injectable, pills fluids, granules, sprayers, inhalers, mineral water, droppers, removers etc, veterinary medicines, poultry medicines, herbal products, their by – products, intermediates, residues, mixtures and compounds and other allied goods.”

### **AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION**

Since incorporation, the following amendments have been made to the MoA of our Company:

<b>Date of EGM</b>	<b>Changes</b>
November 22, 2000	Increase of Authorised Capital from Rs. 1,00,000 consisting of 10,000 Equity Shares of Rs.10/- each to Rs. 6,00,000 consisting of 60,000 Equity Shares of Rs.10/- each
November 10, 2003	Increase of Authorised Capital from Rs. 6,00,000 consisting of 60,000 Equity Shares of Rs.10/- each to Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs.10/- each
March 03, 2008	Increase of Authorised Capital from Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs.10/- each to Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs.10/- each
June 09, 2008	Increase of Authorised Capital from Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs.10/- each to Rs. 2,50,00,000 consisting of 25,00,000 Equity Shares of Rs.10/- each
July 28, 2008	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company as “Zota Health Care Limited” on Conversion of Company into a Public Company.
September 05, 2009	Increase of Authorised Capital from Rs. 2,50,00,000 consisting of 25,00,000 Equity Shares of Rs.10/- each to Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs.10/- each
September 29, 2010	Increase of Authorised Capital from Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs.10/- each to Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs.10/- each
January 21, 2011	Addition of the following clause viz., clause 2 in the “Main Objects of the Company”, immediately after clause 1:  3. “To create, Develop, establish, In-House Research and Development facilities for all types, descriptions, specifications, strengths and applications of pharmaceutical and chemical products of medicaments in all it's branches such as Allopathic, Ayurvedic, Homeopathic ,Herbal Unani, Siddha, Bio-chemic etc. used for cure and healthcare of human being and animals including, basic drugs, intermediates, tonics, antibiotics, enzymes, steroids, vitamins, hormones, biological & immunological chemicals, contraceptives surgical plaster of paris surgical dressing, belladonna plasters, dressings, bandages, waddings, gauzes, adhesives, belts, sutures, ligatures, rubber goods, vaccines, toxins, ferments, yeasts, medical gases, diagnostic agents, oils and tinctures, medical products in all

Date of EGM	Changes
	forms such as capsules, tablets, powders, ointments, syrups, injectable, pills, fluids, granules, sprayers, inhalers, mineral water, droppers, removers etc, veterinary medicines, poultry medicines, herbal products, their by – products, intermediates, residues, mixtures and compounds and other allied goods.”
September 27, 2011	Increase of Authorised Capital from Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs.10/- each to Rs. 15,00,00,000 consisting of 1,50,00,000 Equity Shares of Rs.10/- each
August 26, 2016	Increase of Authorised Capital from Rs. 15,00,00,000 consisting of 1,50,00,000 Equity Shares of Rs.10/- each to Rs. 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs.10/- each

### COUNTRYWISE EXPORT SALES FOR FINANCIAL YEAR 2015-16

Name of the Country	Amount (Rs. In Lakhs)
Afghanistan	42.64
Benin	1.46
Cambodia	7.49
Guinea	5.80
Myanmar	68.12
Niger	29.22
Nigeria	390.09
Vietnam	2.07
Kenya	22.37
Libya	15.67
Tanzania	6.80
Turkmenistan	10.82

Note:- Include direct and deemed exports

### OUR HOLDING / SUBSIDIARY COMPANY

Our Company neither has a holding nor any subsidiary Company as on date of filing of this Red Herring Prospectus.

### CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details in relation to our capital raising activities through equity and debt, please refer to the chapters titled “*Financial Information as Restated*” and “*Capital Structure*” beginning on page 214 and 20, respectively, of this Red Herring Prospectus.

### REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation.

### CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities being carried out by our Company in last five years.

### INJUNCTIONS OR RESTRAINING ORDERS

Our Company is not operating under any injunction or restraining order.

### MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

### SHAREHOLDERS' AGREEMENTS

Our Company has not entered into any shareholders' agreement as on date of filing of this Red Herring Prospectus.

## **OTHER AGREEMENTS**

Our Company has not entered into any agreements / arrangements except under normal course of business of the Company, as on date of filing of this Red Herring Prospectus.

## **STRIKES AND LOCK-OUTS**

There have been no strikes or lockouts in our Company since incorporation.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

## **STRATEGIC AND FINANCIAL PARTNERS**

Our Company does not have any strategic/ financial partner(s) as on the date of this Red Herring Prospectus.

## **CONVERSION OF LOANS INTO EQUITY SHARES**

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Red Herring Prospectus.

## **FINANCIAL PARTNERS**

As on the date of this Red Herring Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

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

## **NUMBER OF SHAREHOLDERS**

Our Company has 1,169 shareholders as on date of this Red Herring Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

The composition of our Board is governed by the provisions of the Companies Act, and our Articles of Association. Our Company currently has 8 directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name, Age, Father's / Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN</b>	<b>Date of Appointment/Re-appointment</b>	<b>Other Directorships</b>
1.	<b>Name:</b> Ketankumar Zota <b>Age:</b> 51 years <b>Father's Name:</b> Chandulal Zota <b>Designation:</b> Chairman & Non-executive director <b>Address:</b> 8-D Anjan Shalaka Apartment, Opp Lal Bunglow Jain Temple, Athwalines Choriyasi Surat-395007 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Liable to retire by rotation. <b>DIN:</b> 00822594	October 01, 2016	<b>Public Limited Company:</b> Nil  <b>Private Limited Company:</b> Nil
2.	<b>Name:</b> Moxesh Zota <b>Age:</b> 26 years <b>Father's Name:</b> Ketankumar Zota <b>Designation:</b> Managing Director <b>Address:</b> 8-D Anjan Shalaka Apartment, Lal Bunglow Jain Temple, Athwalines Surat-395007 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Five Years from October 07, 2016. <b>DIN:</b> 07625219	October 07, 2016	<b>Public Limited Company:</b> Nil  <b>Private Limited Company:</b> Nil
3.	<b>Name:</b> Kamlesh Zota <b>Age:</b> 44 years <b>Father's Name:</b> Rajnikant Zota <b>Designation:</b> Whole time Director <b>Address:</b> 15, Panchratna Soc. -2, Opp. Sneh Sankul Wadi, Anand Mahal Road, Surat-395009 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Five Years from April 01, 2015 subject to liable to retire by rotation. <b>DIN:</b> 00822705	April 01, 2015	<b>Public Limited Company:</b> Nil  <b>Private Limited Company:</b> Nil
4.	<b>Name:</b> Himanshu Zota <b>Age:</b> 42 years <b>Father's Name:</b> Muktlilal Zota <b>Designation:</b> Whole time Director <b>Address:</b> 604, Navkar Vila, Deepa Complex, Adajan Road, Surat- 395009 <b>Occupation:</b> Business	April 01, 2015	<b>Public Limited Company:</b> Nil  <b>Private Limited Company:</b> Nil

Sr. No.	Name, Age, Father's / Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/Re-appointment	Other Directorships
	<b>Nationality:</b> Indian <b>Term:</b> Five Years from April 01, 2015 subject to liable to retire by rotation. <b>DIN:</b> 01097722		
5.	<b>Name:</b> Manukant Zota <b>Age:</b> 65 years <b>Father's Name:</b> Chandulal Zota <b>Designation:</b> Whole time Director <b>Address:</b> 104, Divya Swapna Apartment, Kaji Nu Medan, Gopipura, Surat- 395001, Gujarat <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Five Years from April 01, 2015 subject to liable to retire by rotation. <b>DIN:</b> 02267804	April 01, 2015	<b>Public Limited Company:</b> Nil <b>Private Limited Company:</b> Nil
6.	<b>Name:</b> Varsaben Mehta <b>Age:</b> 48 years <b>Husband's Name:</b> Gaurang Mehta <b>Designation:</b> Additional Director <b>Address:</b> B-25, Pavitra Row House, Nr. Sahaj Super Store, Anand Mahal Road, Adajan, Surat- 395009, Gujarat <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Term:</b> Upto the date of the ensuing AGM. <b>DIN:</b> 07611561	September 10, 2016	<b>Public Limited Company:</b> Nil <b>Private Limited Company:</b> Nil
7.	<b>Name:</b> Saileshkumar Shah <b>Age:</b> 59 years <b>Father's Name:</b> Sevantilal Shah <b>Designation:</b> Independent Director <b>Address:</b> Navsarjan Hospital, Opp Shri Ram Petrol Pump, Anand Mahal Road, Adajan Surat- 395009, Gujarat <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Term:</b> Five years from September 30, 2014. <b>DIN:</b> 03245881	September 30, 2014	<b>Public Limited Company:</b> Nil <b>Private Limited Company:</b> Nil
8.	<b>Name:</b> Mahesh Prajapati <b>Age:</b> 30 years <b>Husband's Name:</b> Mayjibhai Prajapati <b>Designation:</b> Independent Director <b>Address:</b> Shanti Medical Sto Mahal Rd., Adajan, Surat-395009, Gujarat <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Five years from September 30, 2014. <b>DIN:</b> 03245989	September 30, 2014	<b>Public Limited Company:</b> Nil <b>Private Limited Company:</b> Nil

## BRIEF BIOGRAPHIES OF OUR DIRECTORS

### Ketankumar Zota

Ketankumar Zota, aged 51 years is the Promoter, Chairman and Non-executive Director of our Company. He is re-appointed as Director W.e.f. October 01, 2016 and designated as Chairman with effect from September 10, 2016. He has completed his Diploma in Pharmacy from Gujarat University and has vast experience in this Industry. He is entrusted with the responsibility of looking after the planning and implementing new marketing strategies and projects for our Company.

### Moxesh Zota

Moxesh Zota, aged 26 years is the Managing Director of our Company since October 07, 2016. He has completed Bachelor of Pharmacy from Gujarat Technological University and also awarded with degree of Master of Science from BPP University, United Kingdom. He is young entrepreneur with experience of 2 years in the industry and forays the export business of our Company.

### Kamlesh Zota

Kamlesh Zota, aged 44 years is the Promoter and Whole-time Director of our Company. He is re-appointed as Whole time Director w.e.f. April 1, 2015 for a period of 5 years. He is a Bachelor in Pharmacy from Gujarat University. He began his career in the year 1995 as a Sr. Technical Assistant at Torrent Pharmaceuticals Ltd followed as a Production Officer at Unique Pharmaceuticals Laboratories and subsequently joined our Company at the time of its incorporation, thus having an aggregate experience of around two decades in the Pharmaceutical Industry. He is entrusted with the responsibility of looking after the factory management, executing trademark and patent registrations as well as export and customs documentation relating to our Company.

### Himanshu Zota

Himanshu Zota, aged 42 years is the Promoter and Whole-time Director of our Company. He is re-appointed as Whole time Director w.e.f. April 1, 2015. He has been awarded with degree of Diploma in Pharmacy from the Board of Technical Examinations on behalf of the Government of Maharashtra and has vast experience in the Pharmaceutical Industry. He has been instrumental in initiating and managing the business of our Company since incorporation and is entrusted with the responsibility of looking after the overall management, operations, tax related matters as well as adoption of business strategies of our Company.

### Manukant Zota

Manukant Zota, aged 65 years is the Promoter and Whole-time Director of our Company. He was re-appointed as Whole time Director w.e.f. April 1, 2015 for a period of 5 years. He has completed his Masters of Science Degree in Mathematics from Sardar Patel University, Gujarat. He has been associated with our Company since incorporation and has an overall experience of around two decades in the Pharmaceutical Industry. He is entrusted with the responsibility of dealing with the daily accounting activities of our Company.

### Varsaben Mehta

Varsaben Mehta, aged 48 years is appointed as the Additional Director of our Company with effect from September 10, 2016. She has completed her Bachelor of Ayurvedic Medicine and Surgery (BAMS) from O.H. Nazar Ayurvedic University, Surat (Gujarat). She is General Physician and running her clinic named Shreeji Clinic in Surat.

### Saileshkumar Shah

Saileshkumar Shah, aged 59 years was appointed as Independent Director of our Company with effect from September 30, 2014. He has attained Degree of Masters of Surgery (General Surgeon) from B.J. Medical College, Ahmedabad and has rich experience in his field.

## Mahesh Prajapati

Mahesh Prajapati, aged 30 years was appointed as Independent Director of our Company with effect from September 30, 2014.

### CONFIRMATIONS

We confirm that, as on the date of this Red Herring Prospectus:

1. Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013:

Director	Other Director	Relation
Ketankumar Zota	Manukant Zota	Brothers
Ketankumar Zota	Moxesh Zota	Father

2. There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provide for benefits upon termination of employment.
4. None of the above mentioned Directors are on the RBI List of wilful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

### REMUNERATION/ COMPENSATION TO DIRECTORS

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2016:

Name of Director	Amount (Rs. In Lakhs)
Ketankumar Zota	9.00
Kamlesh Zota	9.00
Himanshu Zota	9.00
Manukant Zota	9.00

### Terms and conditions of employment of our Managing Director

Moxesh Zota was appointed as Managing Director of our Company with effect from October 07, 2016 for a period of five years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 75,000/- per month
Term of Appointment	5 Years
Commission	A commission of 0.1% p.a. on the domestic turnover shall be paid.

The Company will reimburse all direct and indirect expenses such as toll, calls, accommodation and travelling expense, reasonably and properly incurred and documented.

### Terms and conditions of employment of our Whole-time Director

#### 1. Kamlesh Zota

Kamlesh Zota was re-appointed as Whole-time Director of our Company with effect from April 01, 2015 for a period of five years. The terms and conditions of his employment are as follows:

<b>Remuneration</b>	Rs. 75,000/- per month
<b>Term of Appointment</b>	5 Years
<b>Commission</b>	A commission of 0.1% p.a. on the gross turnover shall be paid.

The Company will reimburse all direct and indirect expenses such as toll, calls, accommodation and travelling expense, reasonably and properly incurred and documented.

## 2. Himanshu Zota

Himanshu Zota was re-appointed as Whole-time Director of our Company with effect from April 01, 2015 for a period of five years. The terms and conditions of his employment are as follows:

<b>Remuneration</b>	Rs. 75,000/- per month
<b>Term of Appointment</b>	5 Years
<b>Commission</b>	A commission of 0.1% p.a. on the gross turnover shall be paid.

The Company will reimburse all direct and indirect expenses such as toll, calls, accommodation and travelling expense, reasonably and properly incurred and documented.

## 3. Manukant Zota

Manukant Zota was re-appointed as Whole-time Director of our Company with effect from April 01, 2015 for a period of five years. The terms and conditions of his employment are as follows:

<b>Remuneration</b>	Rs. 75,000/- per month
<b>Term of Appointment</b>	5 Years
<b>Commission</b>	A commission of 0.1% p.a. on the gross turnover shall be paid.

The Company will reimburse all direct and indirect expenses such as toll, calls, accommodation and travelling expense, reasonably and properly incurred and documented.

## **Terms and conditions of employment of our Non-Executive Director and Independent Directors**

Non-Executive Director and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

## **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company.

The following table details the shareholding of our Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Ketankumar Zota	21,15,974	14.73%	12.06%
2.	Kamlesh Zota	13,79,074	9.60%	7.86%
3.	Himanshu Zota	22,51,800	15.68%	12.84%
4.	Manukant Zota*	28,94,693	20.15%	14.45%

\*Manukant Zota is one of the selling shareholders.

## **INTERESTS OF DIRECTORS**

### **Interest in promotion of our Company**

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “Related Party Transactions” beginning on page 212 of this Red Herring Prospectus.

### **Interest in the property of our Company**

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing of this Red Herring Prospectus

### **Interest as member of our Company**

As on date of this Red Herring Prospectus, our Directors together hold 86,41,541 Equity Shares in our Company i.e. 60.16 % of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

### **Interest as a Creditor of our Company**

As on the date of this Red Herring Prospectus, except as stated in the chapter titled “*Financial Indebtedness*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” our Company has not availed loans from the Dircetors of our Company.

### **Interest as Director of our Company**

Except as stated in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 192, 214 and 85 respectively, of this Red Herring Prospectus our Directors, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

### **Interest as Key Managerial Personnel of our Company**

Moxesh Zota-Managing Director, Kamlesh Zota-Whole Time Director, Himanshu Zota-Whole Time Director and Manukant Zota-Whole Time Director are the Key Managerial Personnel of our Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company and to the extent of Equity Shares held by them in our Company. They 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. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 214 of this Red Herring Prospectus.

### **Interest in transactions involving acquisition of land**

Our Directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to in the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 161 of this Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

### **Other Indirect Interest**

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 214 of this Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

### **Interest in the Business of Our Company**

Except as stated in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 214 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus.

## SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have a subsidiary or associate Company.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Red Herring Prospectus:

Name	Date of event	Nature of event	Reason
Ketankumar Zota	April 01, 2015	Re-appointment	Reappointed as Managing Director
Ketankumar Zota	October 01, 2016	Change in Designation	Reappointed as Non Executive Director
Moxesh Zota	October 01, 2016	Appointment	Appointment as Managing Director
Kamlesh Zota	April 01, 2015	Re-appointment	Re-appointed as Whole-time Director
Himanshu Zota	April 01, 2015	Re-appointment	Re-appointed as Whole-time Director
Manukant Zota	April 01, 2015	Re-appointment	Re-appointed as Whole-time Director
Varsaben Mehta	September 10, 2016	Appointment	Appointment as Additional Director
Saileshkumar Shah	September 30, 2014	Re-appointment	Re-appointed as Independent Director
Mahesh Prajapati	September 30, 2014	Re-appointment	Re-appointed as Independent Director
Gaurang Mehta	September 30, 2014	Re-appointment	Re-appointed as Independent Director
Gaurang Mehta	September 10, 2016	Resignation	Due to pre-occupancy

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at September 30, 2014 in Annual General Meeting of our Company, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) shall not exceed Rs. 20 Crores (Rupees Twenty Crores Only) over and above the paid- up share capital and free reserves of the Company for the time being.”

## CORPORATE GOVERNANCE

The provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Corporate Governance will be applicable to our Company immediately upon the listing of the Equity Shares of our Company with the Stock Exchanges. Our Company is in compliance with the requirements of the applicable section/regulations in respect of Corporate Governance, as specified, particularly those relating to composition of our Board and constitution of committees such as Audit Committee, the Stakeholder's Relationship Committee and the Nomination and Remuneration Committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, our Company intends to adopt a code of conduct for prevention of Insider Trading.

Our Company has seven (8) Directors consisting of Four (4) Executive Directors and Four (4) Non-Executive Independent Directors. The constitution of our Board is in compliance with the requirements of the Companies Act, 2013.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations,

including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

**The following committees have been formed in compliance with the corporate governance norms:**

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Corporate Social Responsibility Committee

**A) Audit Committee**

Our Company has reconstituted audit committee ("Audit Committee"), as per section 177 of the Companies Act, 2013 *vide* resolution passed at the meeting of the Board of Directors held on September 10, 2016. The Audit Committee comprises of:

Name of the Director	Status	Nature of Directorship
Saileshkumar Shah	Chairperson	Independent Director
Varsaben Mehta	Member	Additional Director
Himanshu Zota	Member	Whole-time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

Any member of the Audit Committee may be removed or replaced at any time by the Board. Any member of the Audit Committee ceasing to be a director shall be ceased to be a member of the Audit Committee.

The committee is authorised to act in accordance with the term of reference specified in writing by the Board which shall inter alia, include:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and auditor's report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;

The Audit Committee may call for the comments of the auditors about internal control system, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issue with the internal and statutory auditors and the management of the company.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified above in (i) to (iv) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

The Board's report under sub-section (3) of section 134 shall disclose the composition of Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons thereof.

The victims/persons who use vigil mechanism can direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

#### **Meeting of Audit Committee and relevant Quorum**

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

#### **B) Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee of our Board were reconstituted by our Directors pursuant to Section 178 (5) of the Companies Act, 2013 by a board resolution dated June 26, 2014. The Stakeholders' Relationship Committee comprises of:

Name of the Director	Status	Nature of Directorship
Mahesh Prajapati	Chairman	Independent Director
Himanshu Zota	Member	Whole-time Director
Manukant Zota	Member	Whole-time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee shall oversee all matters pertaining to investors of our Company. Mahesh Prajapati (Independent Director) shall act as Chairman of the Stakeholders Relationship Committee and attend the Annual General Meeting of the Company to furnish clarifications to the shareholders on any matter relating to Investors grievance.

#### **Meeting of Stakeholders Relationship Committee**

The Stakeholders Relationship Committee shall meet at least twice a year and the committee will be free to frame its procedure and policies not prescribed hereto.

#### **Quorum for Stakeholders Relationship Committee**

The quorum necessary for a meeting of the Stakeholders' Relationship Committee shall be 2 directors.

#### **C) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was reconstituted by our Directors pursuant to Section 178 (1) of the Companies Act, 2013 by a board resolution dated September 10, 2016. The Nomination and Remuneration Committee currently comprises of:

Name of the Director	Status	Nature of Directorship
Varsaben Mehta	Chairperson	Additional Director
Mahesh Prajapati	Member	Independent Director
Saileshkumar Shah	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee.

**The terms of reference of the Nomination and Compensation Committee are:**

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 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 and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- e. Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing / Deputy Managing / Whole time / Executive Director(s), including all elements of remuneration package;
- f. To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks.
- g. Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
- h. Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities

#### **Quorum for Nomination and Remuneration Committee**

The quorum necessary for a meeting of the Remuneration Committee shall be 2 members or one third of the members, whichever is greater.

#### **D) Corporate Social Responsibility Committee**

##### **The members of the Corporate Social Responsibility are:-**

Our Company has reconstituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act, 2013. The constitution of the Corporate Social Responsibility was approved by a meeting of the Board of Directors held on September 10, 2016. The said committee is comprised as under:

The Corporate Social Responsibility Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Himanshu Zota	Chairperson	Whole-time Director
Ketankumar Zota	Member	Non-Executive Director
Varsaben Mehta	Member	Additional Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Corporate Social Responsibility Committee. The scope and function of the Committee and its terms of reference shall include the following:

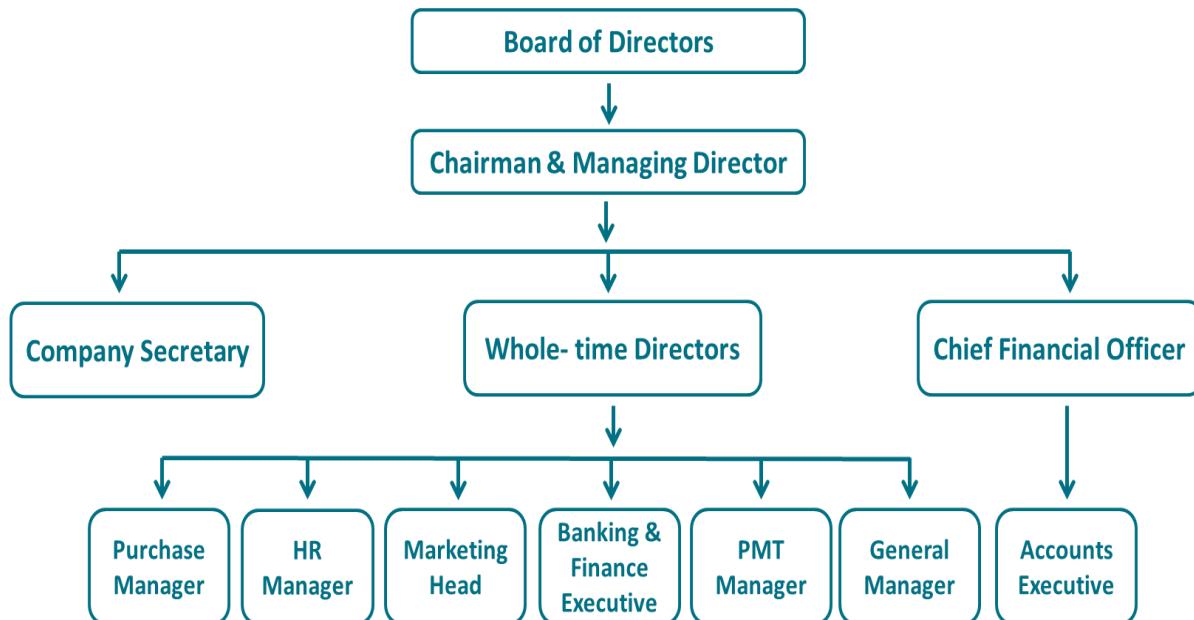
The terms of reference of the Corporate Social Responsibility Committee of our Company include the formulating, recommending to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the activities and monitor the corporate social responsibility policy of our Company from time to time.

#### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge Platform of National Stock Exchange of India. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on September 10, 2016 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Ashvin Variya, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANIZATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company.

### Moxesh Zota

Moxesh Zota, aged 26 years is the Managing Director of our Company since October 07, 2016. He has completed Bachelor of Pharmacy from Gujarat Technological University and also awarded with degree of Master of Science from BPP University, United Kingdom. He is young entrepreneur with experience of 2 years in the industry and forays export business of our Company.

### Kamlesh Zota

Kamlesh Zota, aged 43 years is the Promoter and Whole-time Director of our Company. He is re-appointed as Whole time Director w.e.f. April 1, 2015 for a period of 5 years. He is a Bachelor in Pharmacy from Gujarat University. He began his career in the year 1995 as a Sr. Technical Assistant at Torrent Pharmaceuticals Ltd followed as a Production Officer at Unique Pharmaceuticals Laboratories and subsequently joined our Company at the time of its incorporation, thus having an aggregate experience of around two decades in the Pharmaceutical Industry. He is entrusted with the responsibility of looking after the factory management, executing trademark and patent registrations as well as export and customs documentation relating to our Company.

### Himanshu Zota

Himanshu Zota, aged 42 years is the Promoter and Whole-time Director of our Company. He is re-appointed as Whole time Director w.e.f. April 1, 2015. He has been awarded with degree of Diploma in Pharmacy from the Board of Technical Examinations on behalf of the Government of Maharashtra and has vast experience in the Pharmaceutical Industry. He has been instrumental in initiating and managing the business of our Company since incorporation and is entrusted with the responsibility of

looking after the overall management, operations, tax related matters as well as adoption of business strategies of our Company.

### **Manukant Zota**

Manukant Zota, aged 65 years is the Promoter and Whole-time Director of our Company. He was re-appointed as Whole time Director w.e.f. April 1, 2015 for a period of 5 years. He has completed his Masters of Science Degree in Mathematics from Sardar Patel University, Gujarat. He has been associated with our Company since incorporation and has an overall experience of around two decades in the Pharmaceutical Industry. He is entrusted with the responsibility of dealing with the daily accounting activities of our Company.

### **Viral Mandviwala**

Viral Mandviwala, aged 41 years, is a Chief Financial Officer of our Company with effect from September 30, 2014. He has completed the Bachelor of Commerce Degree from South Gujarat University. He is responsible for looking after accounting, finance and taxation of our Company. During the financial year 2015-16, we have paid him a remuneration of Rs. 4.04 Lakhs.

### **Ashvin Variya**

Ashvin Variya, aged 26 years, is Company Secretary of our Company with effect from September 1, 2015. He was further designated as Compliance Officer of our Company on September 10, 2016. He has completed the Bachelor of Commerce Degree from the Veer Narmad South Gujarat University and Bachelor of Laws (General) from Veer Narmad South Gujarat University. He is a Company Secretary by qualification and An Associate member of Institute of Company Secretaries of India. He looks after the Legal and Compliance Department of the Company. During the financial year 2015-16, we have paid him a remuneration of Rs. 1.43 lakhs.

### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of the key managerial personnel are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

### **RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others

### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.

Sr. No.	Name of Shareholder	No. of Shares held
1.	Kamlesh Zota	13,79,074
2.	Himanshu Zota	22,51,800
3.	Manukant Zota	28,94,693

### **BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL**

There is no profit sharing plan for the Directors/ Key Managerial Personnel. Our Company makes certain performance linked bonus payment for each financial year to certain Directors/ Key Managerial Personnel as per their terms of employment.

## CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS/ KEY MANAGERIAL PERSONNEL

None of our Directors/ Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

## LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not given any loans and advances to the Key Managerial Personnel except as disclosed in *Annexure XXIII - Related Party Transactions* under chapter titled- “*Financial Statements as Restated*” beginning on page 214 of this Red Herring Prospectus.

## INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company 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 and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon and other distributions in respect of such equity shares, if any. Except as disclosed in this Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 192 and 212 respectively of this Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

## CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

The changes in the Key Managerial Personnel in the last three years are as follows:

Name of Managerial Personnel	Designation	Date of Event	Reason
Ketankumar Zota	Managing Director	April 01, 2015	Re-appointment as Managing Director
Ketankumar Zota	Managing Director	October 01, 2016	Resigned as Managing Director
Moxesh Zota	Managing Director	October 07, 2016	Appointment as Managing Director
Kamlesh Zota	Whole-time Director	April 01, 2015	Re-appointment as Whole-time Director
Himanshu Zota	Whole-time Director	April 01, 2015	Re-appointment as Whole-time Director
Manukant Zota	Whole-time Director	April 01, 2015	Re-appointment as Whole-time Director
Viral Mandviwala	Chief Financial Officer	September 30, 2014	Appointment as Chief Financial Officer
Ashvin Variya	Company Secretary	September 01, 2015	Appointment as Company Secretary

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

## ESOP/ESPS SCHEME TO EMPLOYEES

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

## **PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)**

Except as disclosed in the heading titled “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 214 of this Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

The promoters of our Company are Ketankumar Zota, Manukant Zota, Himanshu Zota and Kamlesh Zota. As on the date of this Red Herring Prospectus, our Promoters hold, in aggregate 86,41,541 Equity Shares representing 60.16 % of the pre-issue Paid up Capital of our Company.

**Brief profile of our individual promoters is as follows:**

	<p><b>Ketankumar Zota, Promoter, Chairman and Non-Executive Director</b></p> <p>Ketankumar Zota, aged 51 years is the Promoter, Chairman and Non-executive Director of our Company. He is re-appointed as Director W.e.f. October 01, 2016 and designated as Chairman with effect from September 10, 2016. He has completed his Diploma in Pharmacy from Gujarat University and has vast experience in this Industry. He is entrusted with the responsibility of looking after the planning and implementing new marketing strategies and projects for our Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> Z3048849  <b>Driving License:</b> GJ05 19930089863  <b>Voters ID:</b> GBV3000577</p> <p><b>Address:</b> 8-D, Anjan Shalaka Apartment, Opp. Lal Bunglow Jain Temple, Athwalines Choriyasi, Surat-395007</p> <p>For further details relating to Ketankumar Zota, including terms of appointment as our Chairman and Non-Executive Director, other directorships and ventures promoted by him, please refer to the chapter titled — “<i>Our Management</i>” beginning on page 192 of this Red Herring Prospectus.</p>
	<p><b>Manukant Zota, Promoter &amp; Whole-time Director</b></p> <p>Manukant Zota, aged 65 years is the Promoter and Whole-time Director of our Company. He was re-appointed as Whole time Director w.e.f. April 1, 2015 for a period of 5 years. He has completed his Masters of Science Degree in Mathematics from Sardar Patel University, Gujarat. He has been associated with our Company since incorporation and has an overall experience of around two decades in the Pharmaceutical Industry. He is entrusted with the responsibility of dealing with the daily accounting activities of our Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> Z2034484  <b>Driving License:</b> GJ05 19830100848  <b>Voters ID:</b> GJ/24/171/417245</p> <p><b>Address:</b> 104, Divya Swapna Apartment, Kaji Nu Medan, Gopipura, Surat 395001</p>

	<p>For further details relating to Manukant Zota, including terms of appointment as our Whole-time Director, other directorships and ventures promoted by him, please refer to the chapter titled “<i>Our Management</i>” beginning on page 192 of this Red Herring Prospectus.</p>
	<p><b>Himanshu Zota, Promoter &amp; Whole-time Director</b></p> <p>Himanshu Zota, aged 42 years is the Promoter and Whole-time Director of our Company. He is re-appointed as Whole time Director w.e.f. April 1, 2015. He has been awarded with degree of Diploma in Pharmacy from the Board of Technical Examinations on behalf of the Government of Maharashtra and has vast experience in the Pharmaceutical Industry. He has been instrumental in initiating and managing the business of our Company since incorporation and is entrusted with the responsibility of looking after the overall management, operations, tax related matters as well as adoption of business strategies of our Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> N1019017  <b>Driving License:</b> GJ05 19920067301  <b>Voters ID:</b> CTL4005914</p> <p><b>Address:</b> 604, Navkar Vila, Deepa Complex, Adajan Road, Surat-395009</p> <p>For further details relating to Himanshu Zota, including terms of appointment as our Whole-time Director, other directorships and ventures promoted by him, please refer to the chapter titled “<i>Our Management</i>” beginning on page 192 of this Red Herring Prospectus.</p>
	<p><b>Kamlesh Zota, Promoter &amp; Whole-time Director</b></p> <p>Kamlesh Zota, aged 44 years is the Promoter and Whole-time Director of our Company. He is re-appointed as Whole time Director w.e.f. April 1, 2015 for a period of 5 years. He is a Bachelor in Pharmacy from Gujarat University. He began his career in the year 1995 as a Sr. Technical Assistant at Torrent Pharmaceuticals Ltd followed as a Production Officer at Unique Pharmaceuticals Laboratories and subsequently joined our Company at the time of its incorporation, thus having an aggregate experience of around two decades in the Pharmaceutical Industry. He is entrusted with the responsibility of looking after the factory management, executing trademark and patent registrations as well as export and customs documentation relating to our Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> J5632181  <b>Driving License:</b> GJ05 20060086837  <b>Voters ID:</b> GBV8557969</p> <p><b>Address:</b> 15, Panchratna Soc.-2, Opp. Sneh Sankul Wadi, Anand Mahal Road, Surat-395009</p>

	For further details relating to Kamlesh Zota, including terms of appointment as our Whole-time Director, other directorships and ventures promoted by him, please refer to the chapter titled " <i>Our Management</i> " beginning on page 192 of this Red Herring Prospectus.
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## DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters has been submitted to the Stock Exchange at the time of filing of the Draft Red Herring Prospectus with it.

## INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of its shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our promoters in our Company, please refer — "*Capital Structure*" on page 85 of this Red Herring Prospectus.

Our Promoters are the Directors of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of our Company. For details please see "*Our Management*", "*Financial Statements*" and "*Capital Structure*" beginning on pages 192, 214 and 85 respectively of this Red Herring Prospectus.

Our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 212 of this Red Herring Prospectus.

Except as stated in this section and "*Related Party Transactions*" and "*Our Management*" on page 212 and 192 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of the Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

## COMMON PURSUITS

None of our promoter group entities are in similar activities as those conducted by our Company.

## OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the section titled "*Our Promoter and Our Promoter Group and Group Companies*" beginning on page 206 of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

## RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled "*Related Party Transactions*" on page 212 of this Red Herring Prospectus.

## PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY

Except as stated otherwise in the chapters “*Related Party Transactions*” on page 212 of the Red Herring Prospectus, there has been no payment or benefits to the Promoters during the two years prior to the filing of this Red Herring Prospectus

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

### A. Individuals related to our Promoters:

Relationship with Promoters	Ketankumar Zota	Manukant Zota	Himanshu Zota	Kamlesh Zota
Father	-	-	Mukttilal Zota	Rajnikant Zota
Mother	-	-	Induben Zota	Bhanuben Zota
Brother	Rajnikant Zota, Muktilal Zota, Manukant Zota, Ashok Zota	Rajnikant Zota, Mukilal Zota, Ketankumar Zota, Ashok Zota	Niralkumar Zota	-
Sister	Pushpaben Doshi, Rasilaben Siriya, Nirmalaben Shah	Pushpaben Doshi, Rasilaben Siriya, Nirmalaben Shah	Kinjal Mehta, Krinal Ankhad	Harsha Siriya, Dimple Shah
Spouse	Anilaben Zota	Rasilaben Zota	Varshaben Zota	Manisha Zota
Son	Moxesh Zota	Viren Zota		-
Daughter	Dhara Zota	Manishaben Mehta, Hetal Shah, Heli Shah	Kenvi Zota, Twisha Zota, Jiya Zota	Krishna Zota, Kriya Zota, Dhvani Zota, Dhruvi Zota, Dixi Zota
Spouse's Father	Halchandbhai Mehta	-	Ratilal Vora	Rajnikant Mehta
Spouse's Mother	Champaben Mehta	-	-	Ramilaben Mehta
Spouse's Brother	Sureshbhai Mehta	Bhikhabhai Doshi	Praful Vora	Kumarpal Mehta, Sripal Mehta,
Spouse's Sister	Niruben Mehta, Chandrikaben Shah	Manjulaben Shah, Nitaben	Anjanaben Gandhi, Arunaben Shah, Nitaben Mehta	Pinal Parekh, Sonal Mehta

### B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

- Ketankumar Chandulal Zota (HUF)
- Chandulal Zota (HUF)
- Rajnikant Zota (HUF)
- Kamlesh Zota (HUF)
- Himanshu Zota (HUF)
- Mukttilal Zota (HUF)
- Manukant Zota (HUF)
- Yash Diam (Partnership firm)
- Ketan Medical Store
- Ashok Zota HUF
- Viren Zota HUF

### **RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS**

Our Promoters are the part of our Board of Directors as Chairman, Non-Executive Director and Whole Time Director. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Name of Promoter	Relationship with	Relation
Ketankumar Zota (Chairman and Non Executive Director)	Manukant Zota (Whole Time Director)	Brothers

### DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Our Promoters have not disassociated themselves from any entities/firms during preceding three years.

### CHANGES IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has been no change in the management or control of our Company in the last three years.

### LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Developments*” on page 328 of this Red Herring Prospectus.

### CONFIRMATIONS

Our Company, our individual Promoter and his relatives (as defined under the Companies Act, 2013) and our corporate Promoter are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the 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.

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 212 of this Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

## OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of Group Companies", our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India and such other companies as considered material by our Board. Pursuant to a resolution dated September 10, 2016 our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature:

As on the date of the Red Herring Prospectus, we have no group companies.



## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to the section titled, “*Financial Statements as Restated*” beginning on page 214 of this Red Herring Prospectus.

## DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

The declaration of dividend will however always be at the sole discretion of the Board (subject to approval by the shareholders of the Company) and who will review this policy periodically keeping in mind the business environment and requirements of the Company.

### **Dividends/ interim dividend declared in the last five fiscal years**

Except as stated below, our Company has not declared any dividends in any of the five fiscal years preceding the filing of the Red Herring Prospectus:

Description	For the Year Ended March 31,				
	2016	2015	2014	2013	2012
<b>Face value of Equity Shares (Rs.)</b>	10	10	10	10	10
<b>Amount of Dividend declared and paid (Rs. in Lakhs)</b>	143.63	143.63	119.69	119.69	99.75
<b>Dividend per Equity Share</b>	1.00	1.00	1.00	1.00	1.00
<b>Dividend rate (%)</b>	10%	10%	10%	10%	10%

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts which may be paid in the future, if any. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends, if any, shall depend on various factors such as our revenues, profits, cash flow, financial condition and capital requirements of our Company.

## SECTION V-FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS AS RE-STATEDED

#### Independent Auditor's Report for the Restated Financial Statements of ZOTA HEALTH CARE LIMITED

To,

**The Board of Directors,**  
**ZOTA HEALTH CARE LIMITED**  
"Zota House" 2/896, Building No. 'B',  
2nd Floor, Hira Modi Street,  
Sagarpura, Surat.

Dear Sirs,

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **ZOTA HEALTH CARE LIMITED** (hereinafter referred to as the "**Company**") as at December 31, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the related Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the period April 01, 2016 to December 31, 2016 and financial year ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") annexed to this report and initialled by us for identification purpose. These Restated Summary Statements have been prepared by management of the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of National Stock Exchange of India Limited ("**NSE**").
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - i. Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
3. We have examined such Restated Financial Statements taking into consideration:
  - i. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
4. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 and quarter ended on December 31, 2016 which has been approved by the Board of Directors.
5. In accordance with the requirements of the Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - i. The "**Restated Statement of Assets and Liabilities**" of the Company as at December 31, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012, examined by us, as set out in **Annexure I** to this report read with significant accounting policies in Annexure IV has been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.

- ii. The “**Restated Statement of Profit and Loss**” of the Company for the period April 01, 2016 to December 31, 2016 and financial year ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 , examined by us, as set out in **Annexure II** to this report read with significant accounting policies in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.
  - iii. The “**Restated Statement of Cash Flow**” of the Company for the period April 01, 2016 to December 31, 2016 and financial year ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 , examined by us, as set out in **Annexure III** to this report read with significant accounting policies in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.
6. Based on the above, we are of the opinion that the Restated Financial Statements have been prepared:
- a. Using consistent accounting policies for all the reporting periods;
  - b. Making adjustments for prior period and other material amounts in the respective financial years/period to which they relate;
  - c. There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments;
  - d. There have been no audit qualifications in the Audit Reports issued by the Statutory Auditors which would require adjustments in this Restated Financial Statements of the Company.
  - e. These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report.
7. For the purpose of our examination, we have relied on the financial statements for the period April 01, 2016 to December 31, 2016 and year ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 audited by us, which we have issued dated March 4, 2017, July 25, 2016, August 24, 2015, August 30, 2014, August 27, 2013, and July 27, 2012 respectively.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period April 01, 2016 to December 31, 2016 and financial year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus (“**Offer Document**”).
- i. Notes to Restated Summary Statement;
  - ii. Standalone statement of share capital, reserves and surplus (Annexure A);
  - iii. Standalone statement of Long Term and Short term borrowings (Annexure B);
  - iv. Standalone statement of principal terms of secured loans and assets charged as security (Annexure B1);
  - v. Standalone statement of Terms & Conditions Of Unsecured Loans (Annexure B2);
  - vi. Standalone statement of Deferred tax asset/liabilities (Annexure C);
  - vii. Standalone statement of Trade Payables and Other Current Liabilities (Annexure D);
  - viii. Standalone statement of Long-Term Provisions (Annexure E);
  - ix. Standalone statement of Short-Term Provisions (Annexure F);
  - x. Standalone statement of Fixed Assets (Annexure G), Fixed Assets Chart as per companies act (Annexure G1, Annexure G2-SEZ),
  - xi. Standalone statement of Long-Term Loans And Advances (Annexure H);

- xii. Standalone statement of Inventory (Annexure I);
  - xiii. Standalone statement of Trade Receivables (Annexure J);
  - xiv. Standalone statement of Cash and Bank Balances (Annexure K);
  - xv. Standalone statement of Short-Term Loans And Advances (Annexure L);
  - xvi. Standalone statement of Other Current Assets (Annexure M);
  - xvii. Standalone statement of Revenue from operations (Annexure N);
  - xviii. Standalone statement of Other Income (Annexure O);
  - xix. Standalone statement of Cost of Material Consumed (Annexure P);
  - xx. Standalone statement of Changes in inventories of finished goods, WIP and Stock-in-Trade (Annexure Q);
  - xxi. Standalone statement of Employee Benefit Expenses (Annexure R);
  - xxii. Standalone statement of Financial Expenses (Annexure S);
  - xxiii. Standalone statement of Other Expenses (Annexure T);
  - xxiv. Standalone statement of Related Party Transactions (Annexure U);
  - xxv. Standalone statement of Capitalization as at December 31, 2016 (Annexure V);
  - xxvi. Standalone summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth (Annexure W);
  - xxvii. Standalone statement of Tax Shelter (Annexure X);
  - xxviii. Standalone statement of Non-current Investment(Annexure Y);
  - xxix. Standalone statement of turnover bifurcation (Annexure Z).
9. We, Pradeep K. Singhi & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "**Peer Review Board**" of the ICAI.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in Annexure I to IV and A to Z of this report read with the respective Significant Accounting Polices and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**Pradeep K. Singhi & Associates  
Chartered Accountants**

**CA. Pradeep Kumar Singhi**

**Partner**

**M. No. 200/24612**

**Firm No. 126027W**

**Place: Surat**

**Date: March 03, 2017**

ANNEXURE-I						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)</b>						
						(Rs. In Lacs)
Particulars	As at					
	December 31, 2016	2016	2015	2014	2013	2012
<b>1 Equity Liabilities</b>						
<b>Share Holder's Fund</b>						
(a) Share Capital	1,436.34	1,436.34	1,436.34	1,196.95	1,196.95	997.46
(b) Reserve & Surplus	1,113.50	719.53	373.83	363.92	190.05	273.21
<b>2 Non Current Liabilities</b>						
(a) Long Term borrowings	228.09	222.64	199.99	319.65	302.77	296.27
(b) Deferred Tax Liabilities	(2.96)	4.66	13.37	29.09	29.82	29.40
(c) Long Term Provisions	44.47	31.74	24.31	16.89	12.93	8.69
<b>3 Current Liabilities</b>						
(a) Short Term borrowings	413.84	0.00	302.48	102.53	128.97	195.35
(b) Trade Payables	1661.24	1,460.45	1,171.25	978.85	716.45	644.63
(c) Other Current Liabilities	36.79	39.79	75.61	138.49	180.20	255.08
(d) Short Term Provisions	56.68	239.87	239.60	171.16	180.39	147.85
<b>Total</b>	<b>4987.99</b>	<b>4,155.01</b>	<b>3,836.77</b>	<b>3,317.54</b>	<b>2,938.53</b>	<b>2,847.94</b>
<b>Assets</b>						
<b>4 Non Current Assets</b>						
(a) Fixed Assets	838.91	836.01	823.43	907.43	918.35	985.94
(b) Non Current Investment	9.35	8.88	8.22	7.60	7.00	6.44
(c) Long Term Loans and Advances	10.75	10.75	10.75	11.31	10.85	10.75
<b>5 Current Assets</b>						
(a) Inventories	1903.53	1,633.25	1,762.26	1,252.78	1,097.62	1,017.37
(b) Trade Receivable	2162.24	1,577.64	1,169.05	1,067.90	840.35	733.48
(c) Cash and Bank Balances	20.78	75.62	16.38	14.29	12.68	12.20
(d) Short Term Loans and Advances	18.25	1.63	2.24	8.89	0.66	45.67
(e) Other Current Assets	24.16	11.24	44.45	47.33	51.01	36.10
<b>Total</b>	<b>4987.99</b>	<b>4,155.01</b>	<b>3,836.77</b>	<b>3,317.54</b>	<b>2,938.53</b>	<b>2,847.94</b>

**Note:** The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexure IV, II and III.

**ANNEXURE-II**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT (AS RESTATED)**
*(Rs. In Lakhs)*

Particulars	For the period ended December 31, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Continue Operation :</b>						
Revenue from operations:	5,619.44	6,473.33	5,646.34	5,011.16	4,390.81	3,814.30
Other income	6.50	7.69	1.44	10.23	3.45	2.72
<b>Total Revenue</b>	<b>A</b> <b>5625.94</b>	<b>6,481.01</b>	<b>5,647.78</b>	<b>5,021.39</b>	<b>4,394.26</b>	<b>3,817.02</b>
<b>Expenses:</b>						
Cost of Material Consumed	246.15	359.45	259.55	357.95	418.40	599.41
Purchase of Stock-in-Trade	3,690.95	3,728.91	3,955.68	3,173.23	2,758.53	2,391.83
Changes in inventories of finished goods, WIP and Stock-in-Trade	(268.18)	125.57	(534.89)	(110.98)	(142.47)	(363.76)
Employee benefits expense	460.00	538.72	459.31	355.14	314.73	278.19
Finance costs	35.29	68.34	66.48	71.37	79.36	50.51
Depreciation	78.39	123.47	150.60	120.69	135.14	138.72
Other expenses	790.18	757.69	659.01	584.27	451.59	425.96
<b>Total Expenses</b>	<b>B</b> <b>5032.80</b>	<b>5,702.15</b>	<b>5,015.74</b>	<b>4,551.67</b>	<b>4,015.28</b>	<b>3,520.87</b>
<b>Profit before exceptional and extraordinary items and tax (A-B)</b>	<b>C</b> <b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>	<b>378.98</b>	<b>296.15</b>
Exceptional item	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>D</b> <b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>	<b>378.98</b>	<b>296.15</b>
Extraordinary item	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>
<b>Profit Before Tax</b>	<b>E</b> <b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>	<b>378.98</b>	<b>296.15</b>
<b>Provision for Tax</b>						
Current Tax	206.79	266.85	219.58	153.70	123.02	62.28
- IT Created short	-	2.15	0.49	3.77	0.10	-
- Deferred Tax Liability / (Asset)	(7.62)	(8.71)	(14.07)	(0.73)	0.41	35.53
<b>Restated profit after tax from continuing operations</b>	<b>F</b> <b>393.97</b>	<b>518.57</b>	<b>426.03</b>	<b>312.98</b>	<b>255.45</b>	<b>198.34</b>
<b>Discontinuing operation</b>	-	-	-	-	-	-
<b>Restated profit for the year</b>	<b>393.97</b>	<b>518.57</b>	<b>426.03</b>	<b>312.98</b>	<b>255.45</b>	<b>198.34</b>

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

<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE SUMMARY STATEMENT OF CASH FLOW (AS RESTATED)</b>						
(Rs. In Lacks)						
<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the Year ended March 31,</b>				
		<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>1.Cash Flow From Operating Activities:</b>						
Net Profit before tax and extraordinary item	593.14	778.87	632.03	469.72	378.98	296.15
<i>Adjustments for:</i>						
<i>Add: Depreciation</i>	78.39	123.47	150.60	120.69	135.14	138.72
<i>Add: Interest Paid</i>	9.77	25.70	32.07	30.42	20.43	11.39
<i>Add: Interest On Term loan</i>	23.75	38.15	30.81	36.23	55.84	34.89
<i>Less: Interest On Fixed Deposits</i>	0.53	0.73	0.69	0.67	0.62	1.53
<i>Less: Profit/(Loss) on sale of Fixed Assets</i>	-	0.75	-	0.11	(0.12)	-
<i>Less: Interest On GEB Deposits</i>	-	0.71	0.75	0.71	0.79	1.00
<b>Operating Profit before Working Capital Changes</b>	<b>704.52</b>	<b>963.99</b>	<b>844.08</b>	<b>655.58</b>	<b>589.10</b>	<b>478.63</b>
<i>Adjustments for:</i>						
Inventories	(270.29)	129.02	(509.48)	(155.16)	(80.25)	(469.03)
Trade Receivables	(584.61)	(408.59)	(101.14)	(227.55)	(106.87)	(222.96)
Short Term Provisions	(224.55)	0.28	68.43	(9.23)	32.54	24.79
Trade Payables	200.79	289.20	192.39	262.40	71.82	297.56
Short Term Borrowings	413.84	(302.48)	199.95	(26.44)	(66.38)	195.35
Other Current Liabilities	(3.00)	(35.83)	(62.88)	(41.71)	(74.88)	212.69
Long term Provision	10.75	7.43	7.41	3.96	4.24	8.69
Loans & Advances	26.73	0.61	6.65	(8.22)	45.01	65.25
Other Current Assets	(12.92)	33.21	2.89	3.68	(14.92)	(36.10)
<b>Cash Generated from Operation</b>	<b>261.26</b>	<b>676.83</b>	<b>648.30</b>	<b>457.31</b>	<b>399.41</b>	<b>554.87</b>
Taxes Paid	(206.79)	(269.00)	(220.07)	(157.47)	(123.12)	(62.28)
<b>Net Cash from Operating Activities</b>	<b>54.47</b>	<b>407.83</b>	<b>428.23</b>	<b>299.84</b>	<b>276.29</b>	<b>492.59</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased	(81.31)	(138.50)	(71.70)	(110.87)	(67.71)	(358.98)
Sale of Fixed Assets	-	3.20	-	1.20	0.04	15.00
Non Current Investments	(0.47)	(0.65)	(0.62)	(0.60)	(0.56)	(0.43)
Long Term Loans and Advance	-	-	0.56	(0.46)	(0.10)	0.76
Interest On GEB Deposits	-	0.71	0.75	0.71	0.79	1.00
Interest on Fixed Deposit	0.53	0.73	0.69	0.67	0.62	1.53
<b>Net Cash from Investing Activities</b>	<b>(81.26)</b>	<b>(134.51)</b>	<b>(70.32)</b>	<b>(109.35)</b>	<b>(66.91)</b>	<b>(341.12)</b>
<b>3. Cash Flow From Financing Activities:</b>						
<b>ADD:</b>						

**ANNEXURE-III**

**ZOTA HEALTH CARE LIMITED**  
**STANDALONE SUMMARY STATEMENT OF CASH FLOW (AS RESTATED)**

(Rs. In Lacks)

<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the Year ended March 31,</b>				
		<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Proceeds from Long term borrowings	-	-	(21.52)	(58.82)	(107.85)	(26.41)
(Decrease)/Increase in Unsecured Loan	5.46	22.65	(98.14)	75.70	114.35	17.77
Increase/(Decrease) In Equity Share Capital	-	-	239.39	-	199.49	332.49
<b>LESS:</b>						
Interest on Unsecured Loan	(9.77)	(25.70)	(32.07)	(30.42)	(20.43)	(11.39)
Interest On Term Loan	(23.75)	(38.15)	(30.81)	(36.23)	(55.84)	(34.89)
Proposed Dividend	-	(143.63)	(143.63)	(119.69)	(119.69)	(99.75)
Tax On Dividend	-	(29.24)	(29.65)	(19.41)	(19.42)	(16.18)
Bonus Share Issued	-	-	(226.93)	-	-	(210.00)
Bonus Share Issued out of Securities Premium	-		(12.46)	-	(199.49)	(122.49)
<b>Net Cash from Financing Activities</b>	<b>(28.06)</b>	<b>(214.07)</b>	<b>(355.83)</b>	<b>(188.88)</b>	<b>(208.89)</b>	<b>(170.86)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(54.84)</b>	<b>59.24</b>	<b>2.08</b>	<b>1.61</b>	<b>0.49</b>	<b>(19.39)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>75.62</b>	<b>16.38</b>	<b>14.29</b>	<b>12.68</b>	<b>12.20</b>	<b>31.59</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>12.37</b>	<b>75.62</b>	<b>16.38</b>	<b>14.29</b>	<b>12.68</b>	<b>12.20</b>

**Note:**

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements issued by ICAI.
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities and statement of profit and loss as appearing in Annexure IV, I and II.

**ZOTA HEALTH CARE LIMITED**

**Significant Accounting Policies and Notes to Restated Summary Statement**

**Nature of Operations**

ZOTA Health Care Ltd. is a company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. The company is engaged in the Manufacturing & Trading in Pharmaceutical Products. The company caters to both domestic and international markets.

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of preparation of financial statements**

The restated summary statement of assets and liabilities of the Company as at December 31, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 and the related restated summary statement of profits and loss and cash flows for the period from April 01, 2016 to December 31, 2016 and years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 have been compiled by the management from the audited financial statements of the Company for the period ended December 31, 2016 and the years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI Guidelines) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of National Stock Exchange of India Limited in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

**Use of estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

**1 Inventories (AS 2)**

Raw-Materials & Stores & Spares: Valued at Cost.

Finished Goods & WIP: Valued at Cost or Net Realisable value whichever is less as per AS 2 issued by Institute of Chartered Accountants of India.

Stock in Trade (in respect of goods acquired for trading): Valued at Cost.

Other Inventories: Valued at Cost.

## **2 Cash Flows (AS 3)**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less. Cash Flow Statement has been prepared both in pursuance of the Companies Act, 2013 and as per Accounting Standard-3.

## **3 Depreciation (AS 6)**

Depreciation is provided on Written Down Value Method based on the useful lives of assets estimated by the management or the rates provided in Part-C of Schedule-II of the Companies Act, 2013, whichever is higher. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the nos. of days utilized.

The useful life of assets has been changed in Companies Act 2013 and accordingly depreciation rates are taken as per life of assets provided in Part C of Schedule II of Companies Act 2013. For the opening balances of fixed assets as on 1st April 2014, the rates for depreciation have been applied as mentioned in Note 7 of Part C of Schedule II of the Companies Act 2013. Accordingly the opening balances of Fixed Assets as on 1st April 2014 have been written off in the remaining life of respective assets as per New Companies Act.

While till 31 March 2014 Depreciation on fixed assets is provided on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets and assets disposed off / discarded is charged on pro rata basis. Depreciation on commissioning of plant and other assets of new projects is charged for the days they are actually put to use.

## **4 Revenue Recognition (AS 9)**

The company recognizes sales on the basis of actual delivery of goods. Sales are recorded at invoice values net of excise duties, sales tax and trade discounts. The purchases recorded at the invoice value. The all expenses and income to the extent considered payable and receivable respectively are accounted for on mercantile basis except encashment of leave salary and interest on income tax refunds, which are treated on cash basis.

## **5 Fixed Assets (AS 10)**

Tangible Assets are stated at the cost of acquisition or construction less depreciation thereon. All costs relating to the acquisition and installation of tangible assets are capitalized and include borrowing costs directly attributable to acquisition or construction of fixed assets, up to the date the assets are put to use.

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment losses if any.

Intangible assets are amortised over their estimated useful economic life. The estimated useful life of intangible assets is as follows:

1. Brands/ Trademark	10 Years
2. Copyrights & Patents	10 Years

The useful life of Brand/Trademark & Copyrights & patents was taken as 5 Years till 31st March 2014 after that useful life was revised as per new companies act.

## **6 Foreign Currency Transactions (AS 11)**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognised in the profit and loss account.

## **7 Investments (AS 13)**

Investments are stated at cost. Investment in shares and securities are considered as long term and valued at cost. No provision is made in respect of diminution in the value of investment, which is temporary in nature.

## **8 Employee benefits (AS 15)**

### **Defined-contribution plans:**

Provident fund and pension scheme are Defined Contribution Plans in the Company. The Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. The amount of contribution is being deposited each and every month well within the time under the rules of EPF Scheme. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services.

### **Defined-Benefit plans:**

#### **Gratuity:**

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at present values of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on government securities as at the balance sheet date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

## **9 Borrowing costs (AS 16)**

Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized as a part of the cost of asset. Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.

## **10 Earnings per share (AS 20)**

Basic and Diluted earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors. The weighted

average numbers of equity shares outstanding are also adjusted for the year end balance of share application money pending allotment, as considered potential equity shares, for calculation of Diluted Earnings Per Share.

## 11 Taxes on income (AS 22)

Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year/period.

In accordance with the Accounting Standard 22, Accounting for taxes on Income, issued by the Institute of Chartered Accountants of India (ICAI), the Company has provided for deferred tax. Deferred tax resulting from timing differences between book and tax profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

## 12 Impairment of assets (AS 28)

An impairment loss is charged to the Statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 13 Provisions and contingent liabilities (AS 29)

A provision is recognised when there is a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent Liabilities for the period under review is Nil.

## NOTE 2

### NOTES TO RESTATED SUMMARY STATEMENT:

The financial statements for the years ended March 31, 2011 were prepared as per the applicable pre-revised Schedule VI of the Companies Act 1956. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 and March 31, 2013 and March 31, 2014 and March 31, 2015 and March 31, 2016 and for the period ended December 31, 2016 are prepared as per the revised schedule VI. Accordingly, the figures of the previous years have also been re-classified to conform to classification as per the revised schedule VI. The adoption of revised schedule VI for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these financial statements.

#### 1 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The company is not in position to identify the amount of balances due to small-scale industrial (SSI) undertakings in absence of sufficient information from suppliers regarding their status as SSI undertakings.

#### 2 "Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the "Annexure U" of the enclosed financial statements."

Deferred Tax liability/Asset in view of AS 22: "Accounting for Taxes on Income" as at the end of the year is as under:

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
	<u>Timing Differences on account of:</u>						
	<b>Deferred Tax Asset/(Liability):</b>						
	Opening Balance	(4.66)	(13.37)	(29.09)	(29.82)	(29.40)	6.13
	Add: Depreciation on Assets	3.70	7.76	13.19	1.42	0.28	(36.31)
	Adjustment to DTA/DTL due to sale of assets	-	-	1.65	-	-	-
	Reversal of DTA created on preliminary & preoperative exp.	-	(2.09)	(2.09)	(2.09)	(2.09)	(2.09)
	Disallowance u/s. 43B	3.92	3.04	2.97	1.40	1.40	2.87
	Net Deferred Tax Asset/ (Liability) for the period	7.62	8.71	15.72	0.73	(0.41)	(35.53)
	<b>Net Deferred Tax Asset/(Liability) as on period / year ends</b>	<b>(2.96)</b>	<b>(4.66)</b>	<b>(13.37)</b>	<b>(29.09)</b>	<b>(29.82)</b>	<b>(29.40)</b>

#### 4 Auditors' Remuneration:

(Rs. In Lakhs)

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
	As Auditor Remuneration	-	3.00	3.00	2.00	2.00	2.00
	Service Tax	-	0.30	0.28	0.12	0.12	0.25
	<b>Total</b>	<b>-</b>	<b>3.30</b>	<b>3.28</b>	<b>2.12</b>	<b>2.12</b>	<b>2.25</b>

5

#### Earnings Per Share (AS 20) :

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
	A. Number of Shares at the beginning of the year	143.63	143.63	119.69	119.69	99.75	66.50
	Shares issued during the year:						
	Allotment/bonus		-	23.94	-	19.95	33.25
	B. Total Number of equity shares outstanding at the end of the year	143.63	143.63	143.63	119.69	119.69	99.75
	C. Weighted average numbers of equity shares	143.63	143.63	143.63	119.69	119.69	99.75

	for calculating Basic/diluted EPS.						
	D. Weighted average numbers of equity shares for calculating Restated EPS.	143.63	143.63	143.63	143.63	143.63	143.63
	F. Net profit after tax available for equity shareholders as restated	393.97	518.57	426.03	312.98	255.45	198.34
	G. Restated Basic & Diluted Earnings/(Losses) per Share	2.74	3.61	2.97	2.18	1.78	1.38

Note1. The Basic and diluted EPS for the period is after considering Bonus issue of shares made in particular year.

- 6 Figures have been rearranged and regrouped wherever practicable and considered necessary.

7 **Employee benefits (AS 15) :** Rs in Lakhs

**(a) Defined Benefit Plan (Gratuity)**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

	Particulars	December 31, 2016	2015- 16	2014- 15	2013-14	2012- 13	2011- 12
	<b>1. The amounts recognised in the Balance Sheet are as follows:</b>						
	Present value of unfunded obligations recognised	46.43	33.71	25.87	17.21	13.18	8.85
	Un-Funded Status	46.43	33.71	25.87	17.21	13.18	8.85
	Net Liability	46.43	33.71	25.87	17.21	13.18	8.85
	<b>2. The amounts recognised in the Profit &amp; Loss A/c are as follows:</b>						
	Current Service Cost	10.75	8.13	6.60	4.85	4.61	3.27
	Interest on Defined Benefit Obligation	0.63	1.99	1.38	1.19	0.73	0.49
	Net Actuarial Losses / (Gains) Recognized in Year	1.33	(2.28)	0.68	(2.00)	(1.02)	(0.45)
			7.85	8.66	4.04	4.32	3.31
	<b>3. Changes in the present value of defined benefit obligation:</b>						

	Defined benefit obligation as at the beginning of the year/period	33.71	25.87	17.21	13.18	8.85	5.55
	Service cost	10.75	8.13	6.60	4.85	4.61	3.27
	Interest cost	0.63	1.99	1.38	1.19	0.73	0.49
	Actuarial Losses/(Gains)	1.33	(2.28)	0.68	(2.00)	(1.02)	(0.45)
	Defined benefit obligation as at the end of the year/period	46.43	33.71	25.87	17.21	13.18	8.85
	Benefit Type :						
	Retirement Age:	60 Years					
	Vesting Period:	5 Years					

The principal actuarial assumptions for the above are:						
Discount rate per annum	7.50%	7.70%	8.00%	9.00%	8.30%	8.75%
Expected salary escalation rate per annum	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Attrition Rate per Annum	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
The Company has paid following to the recognised provident Fund and ESIC Fund.						

### (b) Defined Contribution Plans

The Company is registered with the Regional Provident Fund and ESIC Commissioner for the Employees' Provident Fund Scheme and Employees State Insurance Scheme. Contributions to Provident Fund and ESIC are included under head Salaries, allowances and welfare in the Statement of profit and loss.

(Rs. In Lacks)

	Particulars	December	2015-16	2014-15	2013-14	2012-13	2011-12

		<b>31, 2016</b>					
Provident Fund		11.54	12.99	11.06	8.84	6.70	5.14
ESIC		5.71	5.90	5.47	5.68	4.66	4.01

## 8. Realisations

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets and loans and advances are approximately of the same value as stated.

## 9 Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

## 10 Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values.

## 11 Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures of all the previous years dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible.

## 12 Segment Reporting (AS 17)

As the company is only one business of pharmaceutical and Geographical segment is also not identifiable thus segment reporting has not been prepared.

## 13 Leases (AS 19)

The Company has not entered into any finance and operating lease.

## 14 Material Adjustments:

Appropriate adjustments have been made in the standalone restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of revised Schedule VI and Accounting Standards.

### Statement of Adjustments in the financial statements:

(Rs. In Lakhs)

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011- 12</b>
	Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	140.25	510.93	426.68	311.26	254.01	199.96
	<b>Adjustment on Account of :</b>						
	Add: Provision for Income Tax	-	0.24	0.69	-	-	-
	Add/(less): Provision for deferred tax liability	1.60	0.95	0.88	(0.70)	(0.69)	0.78
	Gratuity		-	(8.66)	(4.04)	(4.32)	(8.85)
	Preliminary & Pre-Operative	-	6.45	6.45	6.45	6.45	6.45

Exp							
<b>Total (B)</b>	1.60	7.64	(0.65)	1.72	1.44	(1.62)	
<b>Net Profit as Restated (A+B)</b>	<b>141.84</b>	<b>518.57</b>	<b>426.03</b>	<b>312.98</b>	<b>255.45</b>	<b>198.34</b>	

**a. Provision for Income tax for earlier years**

Short Provision for Income tax for year ending 2015 has been provided in year 2016 in books of accounts, same being adjusted in 2015 from provision for tax and removed from 2016 financials.

**b. Provision for change in accounting policy**

No accounting Policies have been changed during the period.

**c. Short provision of Gratuity**

No Provision for gratuity liability, based on Actuarial Valuation, for earlier years had been provided in books of account, has been provided in this Restated Statements.

**d. Provision for deferred tax**

No provision for deferred tax on expenses disallowed in 43B has been provided in books of accounts same being provided in restated summery statement. DTA on Preliminary & preoperative expenditure has been provided, Reason for the same is as below.

**e. Preliminary and Pre-Operative Expenses.**

In F.Y. 2008 to 2011, the Company had incurred certain preliminary expenditure which was getting amortised over a period of five years from the first year of commercial production of the Company which is year ending 31st March 2012, and same has been disclosed as preliminary expenditure in Statement of Assets and Liabilities. As per to the Accounting Standard 26 'Intangible Assets' all preliminary expenditure need to be charged to the Statement of Profit and Loss in the year in which they are incurred, As Restated has now been charged off in opening balance of reserve and surplus.

f. All the above changes mentioned at (a) to (e) points are done in this Restated Financial Statements only. However, no change has been in made in books of accounts in Quarter III of F.Y. 2016-17, F.Y. 2011-12, F.Y. 2012-13, F.Y. 2013-14, F.Y. 2014-15, F.Y. 2015-16. In books of account, all the effects have been given in F.Y. 2015-16. In books of accounts, all the expenses of previous financial years mentioned at point (a),(b),(c), and (d), considered as revenue expenses in F.Y. 2015-16, have been treated as Prior period Items and subject to disallowance in Income tax.

15 Managerial remuneration to directors charged to profit and loss account are as under:

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015- 16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011- 12</b>
Director's Remuneration /Commission							
	27.00	59.36	57.40	54.00	43.60	48.80	
Perquisite	-	-	-	-	-	-	-
<b>Total</b>	<b>27.00</b>	<b>59.36</b>	<b>57.40</b>	<b>54.00</b>	<b>43.60</b>	<b>48.80</b>	

16 Value of Imports on CIF Basis :

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015- 16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011- 12</b>
Import from SEZ unit (India)		-	-	231.07	365.70	351.03	672.75
Import from SEZ unit (Outside India)		-	-	-	31.98	-	28.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>231.07</b>	<b>397.68</b>	<b>351.03</b>	<b>701.56</b>	

17 Value of Export on FOB Basis :

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015- 16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011- 12</b>
	Merchant Export by SEZ Unit	187.18	553.03	287.34	381.38	554.93	597.42
	Export by SEZ Unit	173.90	49.52	8.16	68.68	11.14	1.65
	<b>Total</b>	<b>361.08</b>	<b>602.55</b>	<b>295.50</b>	<b>450.06</b>	<b>566.07</b>	<b>599.08</b>

18 Expenditure in Foreign Currency

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015- 16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011- 12</b>
	Registration Charges		3.98	-	-	-	4.33
	<b>Total</b>		<b>3.98</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.33</b>

19 Earning in Foreign Exchange at FOB value

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015- 16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011- 12</b>
	Earning	-	49.52	8.16	68.68	73.44	2.35
	<b>Total</b>	-	<b>49.52</b>	<b>8.16</b>	<b>68.68</b>	<b>73.44</b>	<b>2.35</b>

20 Outgoing in Foreign Exchange at CIF value

	<b>Particulars</b>	<b>December 31, 2016</b>	<b>2015- 16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011- 12</b>
	Outgoing	-	-	-	31.98	-	28.24
	<b>Total</b>	-	<b>0.00</b>	<b>0.00</b>	<b>31.98</b>	<b>0.00</b>	<b>28.24</b>

<b>ANNEXURE – A</b>						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS</b>						
(Rs. In Lakhs)						
<b>Particulars</b>	<b>As at March 31,</b>					
	<b>December 31, 2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Share Capital</b>						
<b>Authorised Share Capital</b>						
Equity shares of Rs.10 each	200.00	150.00	150.00	150.00	150.00	150.00
Share Capital	2,000.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
<b>Issued, Subscribed and Paid up Share Capital</b>						

Equity Shares of Rs. 10 each fully paid up	143.63	143.63	143.63	119.69	119.69	99.75
Share Capital (in Rs.)	1436.34	1,436.34	1,436.34	1,196.95	1,196.95	997.46
<b>Total</b>	<b>1,436.34</b>	<b>1,436.34</b>	<b>1,436.34</b>	<b>1,196.95</b>	<b>1,196.95</b>	<b>997.46</b>

<b>Reconciliation of the number of shares at the beginning &amp; end of the Reporting Period :</b>						
	<b>No. of Shares</b>					
<b>Authorised Shares</b>						
Previous Year	150.00	150.00	150.00	150.00	150.00	100.00
Increased by	50.00	-	-	-	-	50.00
Current Year	200.00	150.00	150.00	150.00	150.00	150.00
<b>Issued, Subscribed and fully paid</b>						
Number of shares at the beginning	143.63	143.63	119.69	119.69	99.75	66.50
Add : Addition during the year [Bonus]	-	-	23.94	-	19.95	33.25
Number of shares at the end	143.63	143.63	143.63	119.69	119.69	99.75

**Shares held by each shareholder holding more than 5% shares, specifying the number of shares held :**

	No. of Shares with Sharing Ratio											
	December 31, 2016		2015-16		2014-15		2013-14		2012-13		2011-12	
	No. Of shares	%	No. Of shares	%	No. Of shares	%	No. Of shares	%	No. Of shares	%	No. Of shares	%
Anila K.Zota	10,18,500	7.09	10,18,500	7.09	10,18,500	7.09	8,48,750	7.09	8,48,750	7.09	7,07,292	7.09
Himanshu M. Zota	22,51,800	15.68	22,51,800	15.68	22,51,800	15.68	18,76,500	15.68	18,76,500	15.68	15,63,750	15.68
Kamlesh R.Zota	13,79,074	9.60	13,79,074	9.60	13,79,074	9.60	11,49,228	9.60	11,49,228	9.60	9,57,690	9.60
Ketankumar Zota	21,15,974	14.73	21,15,974	14.73	21,15,974	14.73	17,64,612	14.74	17,64,612	14.74	14,70,510	14.74
Ketan Chandulal Zota (HUF)	9,59,040	6.68	9,59,040	6.68	9,59,040	6.68	7,99,200	6.68	7,99,200	6.68	6,66,000	6.68
Manisha K.Zota	11,79,619	8.21	11,79,619	8.21	11,79,619	8.21	9,83,016	8.21	9,83,016	8.21	8,19,180	8.21
Manukant C. Zota	28,94,693	20.15	28,94,693	20.15	28,94,693	20.15	24,12,244	20.15	24,12,244	20.15	20,10,204	20.15
Varsha H.Zota	8,19,023	5.70	8,19,023	5.70	8,19,023	5.70	6,82,519	5.70	6,82,519	5.70	5,68,764	5.70

<b>Reserves and Surplus</b>							
Profit & Loss A/c (Opening Balance)	719.53	373.83	351.46	177.59	61.25	188.84	
Profit and Loss account	393.97	518.57	426.03	312.98	255.45	198.34	
Less: Proposed Dividend	-	143.63	143.63	119.69	119.69	99.75	
Less: Tax on Dividend	-	29.24	29.65	19.41	19.42	16.18	
Less: Bonus issued during the year	-	-	226.93	-	-	210.00	
Add : Deferred Tax Assets/Liabilities	-	-	1.65	-	-	-	
Less: Opening Retain Earning(FA)	-	-	5.10	-	-	-	
Closing Balance	1,113.50	719.53	373.83	351.46	177.59	61.25	
Share Premium Account	-	-	12.46	12.46	211.96	334.44	
Less: Bonus issued during the year	-	-	12.46	-	199.49	122.49	
Closing Balance	-	-	(0.00)	12.46	12.46	211.96	
<b>Total</b>	<b>1,113.50</b>	<b>719.53</b>	<b>373.83</b>	<b>363.92</b>	<b>190.05</b>	<b>273.21</b>	

<b>ANNEXURE-B</b>						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS</b>						
(Rs. In Lacks)						
Particulars	<b>December 31,</b>		<b>As at March 31,</b>			
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Long Term Borrowings</b>						
<b>Term Loans</b>						
Term Loan From Axis Bank(HO)	-	-	22.45	66.63	108.45	147.80
Less : Interest Accrued and Due on Borrowings	-	-	0.29	0.75	1.29	1.80
Less : Current Maturities of Long Term Debt	-	-	22.16	44.19	41.81	39.35
Term Loan From Axis Bank SEZ	-	-	-	15.97	83.37	149.82
Less : Interest Accrued and Due on Borrowings	-	-	-	0.18	0.98	1.84
Less : Current Maturities of Long Term Debt	-	-	-	15.97	67.40	66.46
<b>TOTAL</b>	-	-	-	21.52	80.33	188.18
<b>Loans and advances from related parties (Unsecured)</b>	228.09	222.64	199.99	298.14	222.44	108.09
<b>TOTAL</b>	<b>228.09</b>	<b>222.64</b>	<b>199.99</b>	<b>319.65</b>	<b>302.77</b>	<b>296.27</b>
<b>Current portion of long-term borrowings, included under Other current liabilities</b>	-	-	22.16	60.15	109.22	105.81
<b>Short Term Borrowings</b>						
From Banks- Cash Credit (Axis Bank)	413.84	-	302.48	102.53	128.97	195.35
<b>TOTAL</b>	<b>413.84</b>	<b>-</b>	<b>302.48</b>	<b>102.53</b>	<b>128.97</b>	<b>195.35</b>
<b>The above amount includes:</b>						
Secured Borrowings	413.84	-	302.48	124.05	209.31	383.53
Unsecured Borrowings	228.09	-	199.99	298.14	222.44	108.09
<b>TOTAL</b>	<b>641.93</b>	<b>222.64</b>	<b>502.47</b>	<b>422.18</b>	<b>431.74</b>	<b>491.62</b>
<b>Notes:</b>						
1) The terms and conditions and other information in respect of Secured Loans are given in Annexure -B1						
2) The terms and conditions and other information in respect of Unsecured Loans are given in Annexure -B2						

	ANNEXURE - B2											
	<b>ZOTA HEALTH CARE LIMITED</b>											
	<b>STANDALONE STATEMENT OF TERMS &amp; CONDITIONS OF UNSECURED LOANS</b>											
<b>Details Of Unsecured Loans outstanding as at the end of the respective periods from Directors/Promoters/Promoter Group/Associates/Relatives Of Directors/Group Companies</b>												
<b>A. Unsecured Loans from Promoters/Directors are chargeable to interest at 12% p.a. and repayable on 1 month's notice period.</b>												
<b>1 Name : Himanshu M Zota</b>						(Rs. In Lakhs)						
Rate of Interest- 12%												
Particulars	<b>December 31,</b>		<b>As At March 31,</b>									
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>						
Opening Balance	30.04	32.82	32.71	15.22	-	-						
Amount Received/credited	1.80	3.28	37.58	21.76	26.36	-						
Amount repaid/adjusted	0.18	6.07	37.46	4.28	11.14	-						
Outstanding Amount	31.66	30.04	32.82	32.71	15.22	-						
<b>2 Name : Kamlesh R Zota</b>						(Rs. In Lakhs)						
Rate of Interest- 12%												
Particulars	<b>December 31,</b>		<b>As At March 31,</b>									
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>						
Opening Balance	50.77	45.82	23.17	9.99	-	-						
Amount Received/credited	3.05	5.50	23.06	13.36	10.05							
Amount repaid/adjusted	0.30	0.55	0.41	0.19	0.05							
Outstanding Amount	53.52	50.77	45.82	23.17	9.99	-						
<b>3 Name : Ketankumar Zota</b>						(Rs. In Lakhs)						
Rate of Interest- 12%												
Particulars	<b>December 31,</b>		<b>As At March 31,</b>									
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>						
Opening Balance	-	-	20.95	14.84	-	-						
Amount Received/credited	-	-	18.18	18.79	17.63							
Amount repaid/adjusted	-	-	39.12	12.68	2.79							
Outstanding Amount	-	-	-	20.95	14.84	-						
<b>4 Name : Manukant C Zota</b>						(Rs. In Lakhs)						
Rate of Interest- 12%												
Particulars	<b>December 31,</b>		<b>As At March 31,Z</b>									
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>						
Opening Balance	8.79	9.93	19.99	11.89	-	-						
Amount Received/credited	0.53	0.96	25.03	25.77	20.99	-						
Amount repaid/adjusted	0.05	2.10	35.09	17.68	9.10	-						
Outstanding Amount	9.27	8.79	9.93	19.99	11.89	-						
<b>B. Unsecured Loans which is outstanding from Relatives of Promoters/Directors are chargeable to interest at 12%p.a.that are repayable on 1 month's notice period.</b>												
<b>1 Name : Anila K Zota</b>						(Rs. In Lakhs)						
Rate of Interest- 12%												
Particulars	<b>December 31,</b>		<b>As At March 31,</b>									
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>						
Opening Balance	-	-	0.64	9.36	1.51	0.89						
Amount Received/credited	-	-	2.54	8.54	7.85	0.62						
Amount repaid/adjusted	-	-	3.18	17.25	-	-						
Outstanding Amount	-	-	-	0.64	9.36	1.51						

<b>2 Name : Ashokkumar C. Zota</b>	<i>(Rs. In Lakhs)</i>						
Rate of Interest- 12%							
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	0.52	0.47	0.43	0.38	
Amount Received/credited	-	-	0.02	0.06	0.05	0.05	
Amount repaid/adjusted	-	-	0.54	0.01	0.01	-	
Outstanding Amount	-	-	-	0.52	0.47	0.43	
<b>3 Name : Ashokkumar C. Zota [HUF]</b>	<i>(Rs. In Lakhs)</i>						
Rate of Interest- 12%							
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	12.60	11.25	9.78	8.37	
Amount Received/credited	-	-	1.15	1.35	1.48	1.41	
Amount repaid/adjusted	-	-	13.76	-	-	-	
Outstanding Amount	-	-	-	12.60	11.25	9.78	
<b>4 Name : Bhanuben R. Zota</b>	<i>(Rs. In Lakhs)</i>						
Rate of Interest- 12%							
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	-	-	2.35	2.10	
Amount Received/credited	-	-	-	-	-	0.25	
Amount repaid/adjusted	-	-	-	-	2.35	-	
Outstanding Amount	-	-	-	-	-	2.35	
<b>5 Name : Chanduben N. Zota[HUF]</b>	<i>(Rs. In Lakhs)</i>						
Rate of Interest- 12%							
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	9.99	8.92	7.77	6.17	
Amount Received/credited	-	-	1.20	1.07	1.15	1.60	
Amount repaid/adjusted	-	-	11.18	-	-	-	
Outstanding Amount	-	-	-	9.99	8.92	7.77	
<b>6 Name : Divyesh A. Zota</b>	<i>(Rs. In Lakhs)</i>						
Rate of Interest- 12%							
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	3.46	3.12	2.82	2.54	
Amount Received/credited	-	-	0.09	0.37	0.34	0.31	
Amount repaid/adjusted	-	-	3.55	0.04	0.03	0.03	
Outstanding Amount	-	-	-	3.46	3.12	2.82	
<b>7 Name : Dixit A. Zota</b>	<i>(Rs. In Lakhs)</i>						
Rate of Interest- 12%							
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	4.21	3.80	3.43	3.10	

Amount Received/credited	-	-	0.10	0.46	0.41	0.37
Amount repaid/adjusted	-	-	4.31	0.05	0.04	0.04
Outstanding Amount	-	-	-	4.21	3.80	3.43

**8 Name : Himanshu M. Zota [HUF]**
*(Rs. In Lakhs)*

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	2.40	2.14	1.91	6.68	5.74	4.69
Amount Received/credited	-	0.26	0.23	0.23	0.94	1.07
Amount repaid/adjusted	-	-	-	5.00	-	0.02
Outstanding Amount	2.40	2.40	2.14	1.91	6.68	5.74

**9 Name : Induben M. Zota**
*(Rs. In Lakhs)*

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	60.32	34.45	7.65	6.83	5.53	4.62
Amount Received/credited	-	25.87	26.80	0.82	1.29	0.91
Amount repaid/adjusted	-	-	-	-	-	-
Outstanding Amount	60.32	60.32	34.45	7.65	6.83	5.53

**10 Name : Jatin A. Zota**
*(Rs. In Lakhs)*

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	-	-	-	-	6.19	5.59
Amount Received/credited	-	-	-	-	0.31	0.68
Amount repaid/adjusted	-	-	-	-	6.50	0.08
Outstanding Amount	-	-	-	-	-	6.19

**11 Name : Kamlesh R. Zota [HUF]**
*(Rs. In Lakhs)*

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	10.44	9.32	8.32	7.43	6.44	5.07
Amount Received/credited	-	1.12	1.00	0.89	0.99	1.37
Amount repaid/adjusted	-	-	-	-	-	-
Outstanding Amount	10.44	10.44	9.32	8.32	7.43	6.44

**12 Name : Ketan Chandulal Zota [HUF]**
*(Rs. In Lakhs)*

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	11.26	21.33	19.05	9.46	1.54	0.92
Amount Received/credited	0.68	1.26	2.29	9.59	7.92	0.62
Amount repaid/adjusted	0.07	11.33	-	-	-	-
Outstanding Amount	11.26	11.26	21.33	19.05	9.46	1.54

**13 Name : Madhuben A. Zota**
*(Rs. In Lakhs)*

Rate of Interest- 12%

Particulars	December 31,	As At March 31,
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	2016	2016	2015	2014	2013	2012
Opening Balance	-	-	14.67	13.35	11.55	10.31
Amount Received/credited	-	-	0.72	1.58	1.80	1.24
Amount repaid/adjusted	-	-	15.40	0.25	-	-
Outstanding Amount	-	-	-	14.67	13.35	11.55

**14 Name : Manisha K. Zota** (Rs. In Lakhs)

Rate of Interest- 12%

<b>Particulars</b>	<b>December 31,</b>	<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Opening Balance	37.82	34.14	31.20	19.22	9.47	7.79
Amount Received/credited	2.27	4.10	3.70	12.58	9.75	1.68
Amount repaid/adjusted	0.23	0.41	0.77	0.60	-	-
Outstanding Amount	37.82	37.82	34.14	31.20	19.22	9.47

**15 Name : Manukant C. Zota [HUF]** (Rs. In Lakhs)

Rate of Interest- 12%

<b>Particulars</b>	<b>December 31,</b>	<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Opening Balance	-	0.42	9.13	5.09	3.24	2.22
Amount Received/credited	-	-	5.42	7.16	1.84	1.03
Amount repaid/adjusted	-	0.42	14.13	3.12	-	-
Outstanding Amount	-	0.00	0.42	9.13	5.09	3.24

**16 Name : Moxesh Ketan Zota** (Rs. In Lakhs)

Rate of Interest- 12%

<b>Particulars</b>	<b>December 31,</b>	<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Opening Balance	-	-	16.30	16.61	0.96	-
Amount Received/credited	-	-	1.52	1.79	16.75	0.96
Amount repaid/adjusted	-	-	17.82	2.10	1.10	-
Outstanding Amount	-	-	-	16.30	16.61	0.96

**17 Name : Muktilal C. Zota [HUF]** (Rs. In Lakhs)

Rate of Interest- 12%

<b>Particulars</b>	<b>June 30,</b>	<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Opening Balance	-	-	12.05	10.76	9.61	8.06
Amount Received/credited	-	-	1.45	1.29	1.15	1.55
Amount repaid/adjusted	-	-	13.50	-	-	-
Outstanding Amount	-	-	-	12.05	10.76	9.61

**18 Name : Nimisha Niral Zota** (Rs. In Lakhs)

Rate of Interest- 12%

<b>Particulars</b>	<b>December 31,</b>	<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Opening Balance	2.03	-	3.64	3.25	2.47	1.22
Amount Received/credited	0.16	2.03	0.44	0.39	0.78	1.25
Amount repaid/adjusted	2.19	-	4.07	-	-	-
Outstanding Amount	2.03	2.03	-	3.64	3.25	2.47

	<b>19 Name : Niral M. Zota</b> <span style="float: right;">(Rs. In Lakhs)</span>						
	Rate of Interest- 12%						
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	-	-	-	0.57	
Amount Received/credited	-	-	-	-	-	0.07	
Amount repaid/adjusted	-	-	-	-	-	0.64	
Outstanding Amount	-	-	-	-	-	-	
	<b>20 Name : Niral M. Zota [HUF]</b> <span style="float: right;">(Rs. In Lakhs)</span>						
	Rate of Interest- 12%						
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	6.21	5.54	4.61	3.58	
Amount Received/credited	-	-	0.74	0.67	0.93	1.03	
Amount repaid/adjusted	-	-	6.95	-	-	-	
Outstanding Amount	-	-	-	6.21	5.54	4.61	
	<b>21 Name : Rajnikant C. Zota[HUF]</b> <span style="float: right;">(Rs. In Lakhs)</span>						
	Rate of Interest- 12%						
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	12.25	10.94	9.77	8.14	
Amount Received/credited	-	-	1.47	1.31	1.17	1.63	
Amount repaid/adjusted	-	-	13.72	-	-	-	
Outstanding Amount	-	-	-	12.25	10.94	9.77	
	<b>22 Name : Raxaben Jatin Zota</b> <span style="float: right;">(Rs. In Lakhs)</span>						
	Rate of Interest- 12%						
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	-	-	7.77	6.94	-	-	
Amount Received/credited	-	-	0.25	0.83	6.94	-	
Amount repaid/adjusted	-	-	8.02	-	-	-	
Outstanding Amount	-	-	-	7.77	6.94	-	
	<b>23 Name : Varsha H. Zota</b> <span style="float: right;">(Rs. In Lakhs)</span>						
	Rate of Interest- 12%						
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	
Opening Balance	8.77	9.62	18.74	10.36	1.88	1.14	
Amount Received/credited	-	1.15	1.87	8.38	8.48	0.74	
Amount repaid/adjusted	-	2.00	11.00	-	-	-	
Outstanding Amount	8.77	8.77	9.62	18.74	10.36	1.88	
<b>C.Unsecured Loans from Others (Share Holders) are chargeable to interest at 12% p.a. that are repayable on 1 months notice period.</b>							
	<b>1 Name : Vinodchandra C. Siriya</b> <span style="float: right;">(Rs. In Lakhs)</span>						
	Rate of Interest- 12%						
<b>Particulars</b>	<b>December 31,</b>		<b>As At March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	

Opening Balance	-	-	1.00	1.12	1.00	1.00
Amount Received/credited	-	-	0.12	0.12	0.12	0.12
Amount repaid/adjusted	-	-	1.12	0.24	-	0.12
Outstanding Amount	-	-	-	1.00	1.12	1.00

**2 Name : Gunjan Sureshchandra Mehta** (Rs. In Lakhs)

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	-	-	-	-	-	0.06
Amount Received/credited	-	-	-	-	-	-
Amount repaid/adjusted	-	-	-	-	-	0.06
Outstanding Amount	-	-	-	-	-	0.00

**3 Name : Halchand Manilal Mehta** (Rs. In Lakhs)

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	-	-	-	-	-	0.18
Amount Received/credited	-	-	-	-	-	-
Amount repaid/adjusted	-	-	-	-	-	0.18
Outstanding Amount	-	-	-	-	-	-

**4 Name : Shrikant V. Siriya** (Rs. In Lakhs)

Rate of Interest- 12%

Particulars	December 31,	As At March 31,				
	2016	2016	2015	2014	2013	2012
Opening Balance	-	-	-	-	-	1.58
Amount Received/credited	-	-	-	-	-	0.18
Amount repaid/adjusted	-	-	-	-	-	1.76
Outstanding Amount	-	-	-	-	-	-

<b>ANNEXURE- C</b>						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF DEFERRED TAX ASSETS / (LIABILITIES)</b>						
(Rs. In Lakhs)						
Sr. No.	Particulars	As at				
		December 31, 2016	Mar 31,-16	Mar 31,-15	Mar 31, 14	Mar 31, 13
A	<b>Opening Balance of Deferred Tax Asset / (Liability)</b>	(4.66)	(13.37)	(29.09)	(29.82)	(29.40)
-	<b>Differed Tax Asset / Liability during the year</b>					
B	DTA / (DTL) on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	(3.70)	7.76	13.19	1.42	0.28
C	Adjustment to DTA/DTL due to sale of assets	-	-	1.65	-	-

D	DTA/(DTL) on preliminary & preoperative exp.						-
E	Reversal of DTA created on preliminary & preoperativr exp.	-	(2.09)	(2.09)	(2.09)	(2.09)	(2.09)
F	DTA / (DTL) on allowances and disallowances u/s. 43B of Income Tax Act	3.92	3.04	2.97	1.40	1.40	2.87
G	Provision of DTA / (DTL) for the period of audit (B + C + D)	7.62	8.71	14.07	0.73	(0.41)	(35.53)
H	<b>Closing Balance of Deferred Tax Asset / (Liability) (A + E)</b>	<b>2.96</b>	<b>(4.66)</b>	<b>(13.37)</b>	<b>(29.09)</b>	<b>(29.82)</b>	<b>(29.40)</b>

**ANNEXURE - B1**

<b>ZOTA HEALTH CARE LIMITED</b>											
<b>STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY</b>											
(Rs. In Lacs)											
Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
Axis Bank TL	Term Loan (a/c.No. 270965410000 010)	81.00 (As per revise sanction letter 06.12.20 13)	-	-	22.45	66.63	108.45	147.80	13.25% p.a. (BASE RATE + 3.00%) <b>Reduce from existing:</b> 14.00% ( BASE RATE + 3.75%)	IN 47 MONTHLY INSTALLMENTS OF Rs. 3.44 LACS & LAST INSTALLMENT OF Rs. 3.32 LACS	(1) Primary Security : For CC: Extension of exclusive first hypothecation charge on entire current

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
Axis Bank TL	Term Loan	38.00 (As per revise sanction letter 06.12.2013)	-	-	-	15.97	83.37	149.82	13.25% p.a. (BASE RATE + 3.00%) <b>Reduce from existing:</b> 14.00% (BASE RATE + 3.75%)	IN 47 MONTHLY INSTALLMENTS OF Rs. 3.44 LACS & LAST INSTALLMENT OF Rs. 3.32 LACS	assets of the company , present and future. <b>For Term Loan:</b> Exclusive first hypothecation charge on entire

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
Axis Bank CC	Cash Credit	500.00 (As per revised sanction letter 06.12.2013)	413.84	(25.41)	302.48	102.53	128.97	195.35	13.25% p.a. (BASE RATE + 3.00%) <b>Reduce from existing: 14.00% (BASE RATE + 3.75%)</b>	ON DEMAND SUBJECT TO RENEWAL	movable fixed assets of the Company, including plant & machinery, present & future. <b>(2) Collateral Securities:</b> <b>For Term Loan:</b> Extension of exclusiv

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
											e first hypothecation charge on entire current assets of the company , present and future. <b>For CC:</b> Exclusive first hypothecation charge on entire movable fixed assets of the Company

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
											y, including plant & machinery, present & future. (3) Common collateral for term loan, CC: Extension of EM of following properties: 1. EM of

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
											Building A-2nd Floor, Zota House, Adm. 545.00 sq.ft. standing in name of Mr. Himanshu Zota 2. EM of Building B- Higher Ground, Zota House, Adm... 796.00 sq.ft. standing

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
											in name of Mr. Himanshu Zota 3. EM of Building B-2nd Floor, Adm. 796.00 sq.ft. in the name of company . 4. EM of Building B, Mezzanine floor, Zota House, Adm. 796.00

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
											sq.ft. standing in name of company . 5. EM of 2nd and 3rd Floor Bhagvan Aaiyappa Complex , Pandesar a, Surat 6. EM of land and building at plot no 169, Surat Special

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
											Economic Zone, Sachin, Surat in the name of the company (4) Personal Guarantees of all directors and property owners: Mr. Manukant Zota, Mr. Himanshu Zota, Mr.

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
											Kamlesh Zota, Mr. Ketan Zota

**NOTE 1 :**

All Fund based and Non fund based, Joint and Several Gaurantee by following parties.

1	Mr Manukant Zota
2	Mr Himanshu Zota
3	Mr. Kamlesh Zota

**ANNEXURE - B1**

**ZOTA HEALTH CARE LIMITED**

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY**

(Rs. In Lacs)

Name of Lender	Type of Loan Facility	Amount Sanctioned	Amount Outstanding as at December 31, 2016	Amount Outstanding as at March 31, 2016	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Amount Outstanding as at March 31, 2013	Amount Outstanding as at March 31, 2012	Rate of Interest (%)	Repayment Schedule	Security
4	Mr. Ketankumar Zota										
<b>NOTE 2:</b>											
1 The original amount sanctioned in Term Loan was of Rs. 165 lacs as per the sanction letter as on 08/11/2011.											
2 The original amount sanctioned in Term Loan was of Rs. 300 lacs as per the sanction letter as on 23/11/2009.											
3 The original amount sanctioned in Cash Credit was of Rs. 250 lacs as per the sanction letter as on 14/03/2008.											

**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF TRADE PAYABLES AND OTHER CURRENT LIABILITIES**
*(Rs. In Lakhs)*

Particulars	As at					
	December 31, 2016	Mar 31,- 16	Mar 31, 15	Mar 31, 14	Mar 31,13	Mar 31,12
<b>TRADE PAYABLES</b>						
Creditors for Goods	1,409.40	1,284.29	1,024.04	868.33	638.39	586.35
Creditors for Others	251.84	176.15	147.21	110.52	78.06	58.28
<b>TOTAL TRADE PAYABLES</b>	<b>1661.24</b>	<b>1,460.45</b>	<b>1,171.25</b>	<b>978.85</b>	<b>716.45</b>	<b>644.63</b>
<b>Out of which</b>						
-Due to MSME		-	-	-	-	-
-Due to Non-MSME	<b>1661.24</b>	<b>1,460.45</b>	<b>1,171.25</b>	<b>978.85</b>	<b>716.45</b>	<b>644.63</b>
<b>TOTAL</b>	<b>1661.24</b>	<b>1,460.45</b>	<b>1,171.25</b>	<b>978.85</b>	<b>716.45</b>	<b>644.63</b>

**Note:** The company is not in position to identify the amount of balances due to MSME undertakings in absence of sufficient information from suppliers regarding their status as MSME undertakings.

<b>OTHER CURRENT LIABILITIES</b>						
Interest Accrued and Due on Borrowings	-	-	0.29	0.93	2.27	3.63
Current maturities of long-term borrowings	-	-	22.16	60.15	109.22	105.81
Duties & Taxes						
- TDS Payable	3.15	10.24	7.82	7.40	4.75	4.43
- Professional Tax Payable	-	-	-	-	-	0.01
Central Sales Tax	6.99	6.05	7.23	7.42	6.18	4.55
Security Deposit from customers	-	-	-	42.34	38.38	32.62
Advance From Customers	26.65	23.49	38.11	20.25	19.41	104.03
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>36.79</b>	<b>39.79</b>	<b>75.61</b>	<b>138.49</b>	<b>180.20</b>	<b>255.08</b>

**ANNEXURE -E**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF LONG-TERM PROVISIONS**
*(Rs. In Lakhs)*

Particulars	December 31,	As at March 31,				
	2016	2016	2015	2014	2013	2012
<b>Provision for Gratuity</b>						
<b>Opening Bal.</b>	33.71	25.87	17.21	13.18	8.85	-
<b>During the year</b>	10.75	7.85	8.66	4.04	4.32	8.85
<b>Total</b>	44.46	33.71	25.87	17.21	13.18	8.85
<b>Less: Treated as short term</b>	-	1.98	1.56	0.32	0.24	0.16
<b>Closing Bal.</b>	<b>44.47</b>	<b>31.74</b>	<b>24.31</b>	<b>16.89</b>	<b>12.93</b>	<b>8.69</b>

**ANNEXURE -F**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF SHORT-TERM PROVISIONS**
*(Rs. In Lakhs)*

Particulars	December 31,	As at March 31,				
	2016	2016	2015	2014	2013	2012
<b>Provisions :</b>						
Provision for Taxation netted off against advance tax & TDS	-	16.71	24.44	-	11.88	-
Employees Professional Tax	2.57	1.81	0.92	0.37	0.14	0.11
ESI Payable	0.97	0.68	0.60	0.67	0.55	0.50
Provident Fund	2.67	2.37	2.17	1.54	1.24	1.00
Remuneration Payable	2.48	2.35	1.94	2.78	2.99	2.49
Salary payable	47.98	38.80	33.31	24.38	22.66	18.12
Provision for Gratuity	-	1.98	1.56	0.32	0.24	0.16
Expenses Payable	-	2.30	2.30	1.99	1.57	9.55
Provision For Proposed Dividend	-	143.63	143.63	119.69	119.69	99.75
Provision For Dividend Distribution Tax	-	29.24	28.72	19.41	19.42	16.18
<b>TOTAL</b>	<b>56.68</b>	<b>239.87</b>	<b>239.60</b>	<b>171.16</b>	<b>180.39</b>	<b>147.85</b>

ANNEXURE -G						
<u>ZOTA HEALTH CARE LIMITED</u>						
<u>STANDALONE STATEMENT OF FIXED ASSETS</u>						
(Rs. In Lakhs)						
Particulars	As at December 31,	As at March 31,				
	2016	2016	2015	2014	2013	2012
<b>Tangible Assets</b>						
Land	159.43	157.12	157.12	157.12	86.11	86.11
Office Equipments	16.83	15.62	20.22	18.03	19.33	20.43
Furniture & Fixtures	16.03	20.20	25.61	29.54	34.52	35.98
Tempo vehicle (TATA ace)	-	-	2.54	3.85	1.43	2.04
Building	190.67	197.79	206.61	198.39	202.22	203.65
Computer	12.49	8.72	10.25	8.12	9.09	13.31
Electric Accessories	13.94	15.48	19.14	23.35	27.13	31.42
Plant & Machinery	194.22	222.91	267.32	315.77	346.52	365.40
		637.83	708.80	754.17	726.34	758.34
<b>Intangible Assets</b>						
Brands / Trademarks	61.32	78.35	105.30	144.46	176.55	209.51
Copyrights & Patents	25.33	6.65	9.33	8.80	10.55	13.19
	86.65	85.00	114.63	153.26	187.10	222.70
<b>Capital Work In Progress</b>	148.66	113.18	-	-	4.90	4.90
	148.66	113.18	-	-	4.90	4.90
<b>Total</b>	<b>838.91</b>	<b>836.01</b>	<b>823.43</b>	<b>907.43</b>	<b>918.35</b>	<b>985.94</b>

ANNEXURE – G1												
<b>ZOTA HEALTH CARE LIMITED</b>												
<b><u>STANDALONE FIXED ASSETS SCHEDULE</u></b>												
<b>FOR YEAR ENDING 31 MARCH 2012</b>												(Rs. In Lacs)
<b>SR. NO.</b>	<b>PARTICULA RS</b>	<b>RA TE OF DE PR.</b>	<b>GROSS BLOCK</b>				<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>	
		<b>COST AS ON 01.04.20 11</b>	<b>ADDITION S DURING THE YEAR</b>	<b>SALE / DISPOS AL DURING THE YEAR</b>	<b>TOTAL AS ON 31.03.20 12</b>	<b>UPTO 01.04.20 11</b>	<b>FOR THE YEA R</b>	<b>ADJUSTME NT</b>	<b>UPTO 31.03.20 12</b>	<b>NET CARRYI NG AMOUNT AS ON 31.03.2012</b>	<b>NET CARRYI NG AMOUNT AS ON 31.03.2011</b>	
1	Land											
	Plot at Bhagvatinagar	9.39	0.00	0.00	9.39	0.00	0.00	0.00	0.00	9.39	9.39	
	Plot Land (Hojliwala Industrial area)	3.23	0.00	0.00	3.23	0.00	0.00	0.00	0.00	3.23	3.23	
2	Buildings											
	Bhagvan Aiyappa Complex (office)	80.78	1.35	0.00	82.13	10.73	3.53	0.00	14.27	67.86	70.05	
	Zota House B- First Floor	6.00	0.00	0.00	6.00	0.74	0.26	0.00	1.00	5.00	5.26	
	Zota House A- First Floor	5.51	0.00	0.00	5.51	0.67	0.24	0.00	0.91	4.60	4.84	
	Zota House A- IIInd Floor & B-First Fl.	5.00 %	6.00	0.00	0.00	6.00	0.86	0.26	0.00	1.11	4.89	5.14

ANNEXURE – G1												
<b>ZOTA HEALTH CARE LIMITED</b>												
<b>STANDALONE FIXED ASSETS SCHEDULE</b>												
<b>FOR YEAR ENDING 31 MARCH 2012</b>											(Rs. In Lacs)	
SR. NO.	PARTICULARS	RATE OF DEPR.	<b>GROSS BLOCK</b>			<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>		
		RATE OF DEPR.	COST AS ON 01.04.2011	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2012	UPTO 01.04.2011	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2012	NET CARRYING AMOUNT AS ON 31.03.2012	NET CARRYING AMOUNT AS ON 31.03.2011
	Zota House B-Gr. Floor	5.00 %	3.09	0.00	0.00	3.09	0.75	0.12	0.00	0.86	2.23	2.34
	Zota House B-IIInd Floor	5.00 %	2.33	0.00	0.00	2.33	0.59	0.09	0.00	0.68	1.65	1.74
3	Office Equipments											
	Air Conditioner		4.36	0.74	0.00	5.10	1.35	0.51	0.00	1.86	3.25	3.01
	Elevator (Lift)	13.9 1%	3.00	0.00	0.00	3.00	1.04	0.27	0.00	1.31	1.69	1.96
	Hydraulic Hand Pallet Truck (Trolley)	13.9 1%	0.16	0.00	0.00	0.16	0.05	0.01	0.00	0.07	0.09	0.10
	Kirloskar Green Genset		3.35	0.00	0.00	3.35	0.43	0.41	0.00	0.83	2.52	2.92
	Platform Trolley	13.9 1%	0.12	0.00	0.00	0.12	0.02	0.01	0.00	0.04	0.08	0.09
	Strapping Machine	13.9 1%	0.95	0.00	0.00	0.95	0.30	0.09	0.00	0.39	0.56	0.65
	Tea Vending Machine	13.9 1%	0.20	0.00	0.00	0.20	0.07	0.02	0.00	0.09	0.11	0.13

ANNEXURE – G1												
<b>ZOTA HEALTH CARE LIMITED</b>												
<b>STANDALONE FIXED ASSETS SCHEDULE</b>												
FOR YEAR ENDING 31 MARCH 2012											(Rs. In Lacs)	
SR. NO.	PARTICULARS		GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		RATE OF DE PR.	COST AS ON 01.04.2011	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2012	UPTO 01.04.2011	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2012	NET CARRYING AMOUNT AS ON 31.03.2012	NET CARRYING AMOUNT AS ON 31.03.2011
	Tripod Stand	13.91%	0.05	0.00	0.00	0.05	0.01	0.00	0.00	0.01	0.03	0.04
	Wireless Tower	13.91%	0.26	0.00	0.00	0.26	0.09	0.02	0.00	0.11	0.15	0.18
	Colour Television	13.91%	0.15	0.00	0.00	0.15	0.09	0.01	0.00	0.10	0.04	0.05
	Epabx Instrument	13.91%	0.34	0.00	0.00	0.34	0.18	0.02	0.00	0.20	0.14	0.16
	Inverter	13.91%	0.08	0.00	0.00	0.08	0.05	0.00	0.00	0.05	0.03	0.03
	Light Arrestor with Earthing	13.91%	0.09	0.00	0.00	0.09	0.03	0.01	0.00	0.04	0.04	0.05
	Sony Projector	13.91%	0.88	0.00	0.00	0.88	0.34	0.07	0.00	0.42	0.46	0.53
	Telephone Instrument	13.91%	0.27	0.03	0.00	0.30	0.10	0.02	0.00	0.12	0.18	0.18
	Water Cooler	13.91%	0.44	0.07	0.00	0.51	0.15	0.05	0.00	0.20	0.31	0.29
	Water Purifier	13.91%	0.08	0.00	0.00	0.08	0.02	0.01	0.00	0.03	0.06	0.07

ANNEXURE – G1												
<b>ZOTA HEALTH CARE LIMITED</b>												
<b>STANDALONE FIXED ASSETS SCHEDULE</b>												
<b>FOR YEAR ENDING 31 MARCH 2012</b>											(Rs. In Lacs)	
SR. NO.	PARTICULARS	RATE OF DEPR.	<b>GROSS BLOCK</b>			<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>		
		RA TE OF DE PR.	COST AS ON 01.04.20 11	ADDITI ONS DURIN G THE YEAR	SALE / DISPOS AL DURIN G THE YEAR	TOTAL AS ON 31.03.20 12	UPTO 01.04.20 11	FOR THE YEA R	ADJUSTME NT	UPTO 31.03.20 12	NET CARRYI NG AMOUNT AS ON 31.03.2012	NET CARRYI NG AMOUNT AS ON 31.03.2011
	Misc. Office Equipment	13.9 1%	0.97	0.13	0.00	1.10	0.24	0.12	0.00	0.36	0.74	0.73
4	Furniture & Fixtures	18.1 0%	25.82	3.21	0.00	29.03	12.92	2.78	0.00	15.70	13.33	12.90
5	Computers	40.0 0%	13.92	3.13	0.00	17.05	9.31	2.51	0.00	11.82	5.23	4.61
6	Tempo Vehicle (Maximo-Mahin.)	30.0 0%	3.51	0.00	0.00	3.51	0.60	0.87	0.00	1.47	2.04	2.91
	<b>TOTAL</b>		<b>175.30</b>	<b>8.66</b>	<b>0.00</b>	<b>183.96</b>	<b>41.71</b>	<b>12.33</b>	<b>0.00</b>	<b>54.04</b>	<b>129.92</b>	<b>133.59</b>

Intangible Assets as on 31st March 2012.												
SR. N.O.	PARTICULARS		GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		RATE OF DEPR.	COST AS ON 01.04.2011	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2012	UPTO 01.04.2011	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2012	NET CARRYING AMOUNT AS ON 31.03.2012	NET CARRYING AMOUNT AS ON 31.03.2011
1	Brands/ Trademarks	20.00 %	24.57	234.80	0.00	259.36	11.01	38.84	0.00	49.86	209.51	13.56
2	Copyrights and Patents	20.00 %	4.56	10.36	0.00	14.91	0.43	1.29		1.72	13.19	4.13
	<b>TOTAL</b>		<b>29.13</b>	<b>245.15</b>	<b>0.00</b>	<b>274.28</b>	<b>11.44</b>	<b>40.14</b>	<b>0.00</b>	<b>51.58</b>	<b>222.70</b>	<b>17.68</b>

FOR YEAR ENDING 31 MARCH 2013												
SR. NO.	PARTICULARS		GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		RATE OF DEPR.	COST AS ON 01.04.2012	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2013	UPTO 01.04.2012	FOR THE YEAR	ADJ UST ME NT	UPTO 31.03.2013	NET CARRYING AMOUNT AS ON 31.03.2013	NET CARRYING AMOUNT AS ON 31.03.2012
1	Land											
	Plot at Bhagvatinagar	0.00%	9.39	0.00	0.00	9.39	0.00	0.00	0.00	0.00	9.39	9.39
	Plot Land (Hojliwala Industrial area)	0.00%	3.23	0.00	0.00	3.23	0.00	0.00	0.00	0.00	3.23	3.23
2	Buildings											
	Bhagvan Aiyappa Complex (office)	5.00%	82.13	12.16	0.00	94.28	14.27	3.58	0.00	17.85	76.43	67.86

FOR YEAR ENDING 31 MARCH 2013												
SR. NO.	PARTICULARS		GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		RATE OF DEPR .	COST AS ON 01.04. 2012	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2013	UPTO 01.04. 2012	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2013	NET CARRYING AMOUNT AS ON 31.03.2013	NET CARRYING AMOUNT AS ON 31.03.2012
	Zota House B-First Floor	5.00%	6.00	0.00	0.00	6.00	1.00	0.25	0.00	1.25	4.75	5.00
	Zota House A-First Floor	5.00%	5.51	0.00	0.00	5.51	0.91	0.23	0.00	1.14	4.37	4.60
	Zota House A-IIInd Floor & B-First Fl.	5.00%	6.00	0.00	0.00	6.00	1.11	0.24	0.00	1.36	4.64	4.89
	Zota House B-Gr. Floor	5.00%	3.09	0.00	0.00	3.09	0.86	0.11	0.00	0.97	2.12	2.23
	Zota House B-IIInd Floor	5.00%	2.33	0.00	0.00	2.33	0.68	0.08	0.00	0.76	1.57	1.65
3	Office Equipments											
	Air Conditioner	13.91 %	5.10	0.29	0.25	5.14	1.86	0.46	0.09	2.24	2.91	3.25
	Elevator (Lift)	13.91 %	3.00	0.00	0.00	3.00	1.31	0.23	0.00	1.55	1.45	1.69
	Hydraulic Hand Pallet Truck (Trolley)	13.91 %	0.16	0.00	0.00	0.16	0.07	0.01	0.00	0.08	0.08	0.09
	Kirloskar Green Genset	13.91 %	3.35	0.00	0.00	3.35	0.83	0.35	0.00	1.18	2.17	2.52
	Platform Trolley	13.91 %	0.12	0.50	0.00	0.62	0.04	0.04	0.00	0.08	0.54	0.08
	Strapping Machine	13.91 %	0.95	0.51	0.00	1.45	0.39	0.10	0.00	0.49	0.97	0.56
	Tea Vending Machine	13.91 %	0.20	0.00	0.00	0.20	0.09	0.02	0.00	0.10	0.10	0.11

FOR YEAR ENDING 31 MARCH 2013												
SR. NO.	PARTICULARS	RATE OF DEPR .	COST AS ON 01.04. 2012	ADDITION DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2013	UPTO 01.04. 2012	FOR THE YEAR	ADJ UST ME NT	UPTO 31.03.2 013	NET CARRYING AMOUNT AS ON 31.03.2013	NET CARRYING AMOUNT AS ON 31.03.2012
	Tripod Stand	13.91 %	0.05	0.00	0.00	0.05	0.01	0.00	0.00	0.02	0.03	0.03
	Wireless Tower	13.91 %	0.26	0.00	0.00	0.26	0.11	0.02	0.00	0.13	0.13	0.15
	Colour Television	13.91 %	0.15	0.00	0.00	0.15	0.10	0.01	0.00	0.11	0.04	0.04
	Epabx Instrument	13.91 %	0.34	0.28	0.00	0.62	0.20	0.03	0.00	0.23	0.39	0.14
	Inverter	13.91 %	0.08	0.00	0.00	0.08	0.05	0.00	0.00	0.06	0.03	0.03
	Light Arrestor with Earthing	13.91 %	0.09	0.00	0.00	0.09	0.04	0.01	0.00	0.05	0.04	0.04
	Sony Projector	13.91 %	0.88	0.00	0.00	0.88	0.42	0.06	0.00	0.48	0.40	0.46
	Telephone Instrument	13.91 %	0.30	0.00	0.00	0.30	0.12	0.03	0.00	0.15	0.16	0.18
	Water Cooler	13.91 %	0.51	0.07	0.00	0.58	0.20	0.05	0.00	0.25	0.33	0.31
	Water Purifier	13.91 %	0.08	0.00	0.00	0.08	0.03	0.01	0.00	0.03	0.05	0.06
	Misc. Office Equipment	13.91 %	1.10	0.24	0.00	1.34	0.36	0.11	0.00	0.47	0.86	0.74
4	Furniture & Fixtures	18.10 %	29.03	1.97	0.00	31.00	15.70	2.50	0.00	18.20	12.80	13.33
5	Computers	40.00	17.05	1.07	0.00	18.12	11.82	2.36	0.00	14.18	3.94	5.23

FOR YEAR ENDING 31 MARCH 2013												
SR. NO.	PARTICULARS	RATE OF DEPR .	COST AS ON 01.04. 2012	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2013	UPTO 01.04. 2012	FOR THE YEAR	ADJ UST ME NT	UPTO 31.03.2 013	NET CARRYI NG AMOUNT AS ON 31.03.2013	NET CARRYI NG AMOUN T AS ON 31.03.2012
		%										
6	Tempo Vehicle (Maximo-Mahin.)	30.00 %	3.51	0.00	0.00	3.51	1.47	0.61	0.00	2.08	1.43	2.04
	<b>TOTAL</b>		<b>183.96</b>	<b>17.07</b>	<b>0.25</b>	<b>200.79</b>	<b>54.04</b>	<b>11.53</b>	<b>0.09</b>	<b>65.48</b>	<b>135.31</b>	<b>129.92</b>

Intangible Assets as on 31st March 2013.												
SR . N O.	PARTICUL ARS	GROSS BLOC K				DEPRECIAT ION BLOCK				NET BLOCK		
		RAT E OF DEP R.	COST AS ON 01.04.20 12	ADDITIONS DURING THE YEAR	SALE / DISPOS AL DURIN G THE YEAR	TOTAL AS ON 31.03.20 13	UPTO 01.04.2012	FOR THE YEA R	ADJUSTM ENT	UPTO 31.03.20 12	NET CARRYI NG AMOUN T AS ON 31.03.201 3	NET CARRYI NG AMOUN T AS ON 31.03.201 2
1	Brands/ Trademarks	20.00 %	259.36	9.56	0.00	268.92	49.86	42.51	0.00	92.37	176.55	209.51
2	Copyrights and Patents	20.00 %	14.91	0.00	0.00	14.91	1.72	2.64	0.00	4.36	10.55	13.19
	<b>TOTAL</b>		<b>274.28</b>	<b>9.56</b>	<b>0.00</b>	<b>283.84</b>	<b>51.58</b>	<b>45.15</b>	<b>0.00</b>	<b>96.73</b>	<b>187.10</b>	<b>222.70</b>

**FOR YEAR ENDING 31 MARCH 2014**

S R • N O •	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		RATE OF DEPR.	COST AS ON 01.04.2013	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2014	UPTO 01.04.2013	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2014	NET CARRYING AMOUNT AS ON 31.03.2014
1	Land										
	Plot at Bhagvatinagar with Construction	0.00%	14.29	0.00	0.00	14.29	0.00	0.00	0.00	0.00	14.29
	Plot Land (Hojliwala Industrial area)	0.00%	3.23	0.00	0.00	3.23	0.00	0.00	0.00	0.00	3.23
	Bhagvan Alyappa Complex (non us)	0.00%	0.00	66.10	0.00	66.10	0.00	0.00	0.00	0.00	66.10
2	Buildings										
	Bhagvan Aiyappa Complex (office)	5.00%	94.28	11.32	0.00	105.61	17.85	4.00	0.00	21.85	83.76
	Zota House B-First Floor	5.00%	6.00	0.00	0.00	6.00	1.25	0.24	0.00	1.49	4.51
	Zota House A-First Floor	5.00%	5.51	0.00	0.00	5.51	1.14	0.22	0.00	1.36	4.15
	Zota House A-IIInd Floor & B-First Fl.	5.00%	6.00	0.00	0.00	6.00	1.36	0.23	0.00	1.59	4.41
	Zota House B-Gr. Floor	5.00%	3.09	0.00	0.00	3.09	0.97	0.11	0.00	1.08	2.01
											2.12

**FOR YEAR ENDING 31 MARCH 2014**

S R .N O	PARTICULARS	RATE OF DEPR.	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
			COST AS ON 01.04.201 3	ADDIT IONS DURIN G THE YEAR	SALE / DISPOS AL DURING THE YEAR	TOTAL AS ON 31.03.20 14	UPTO 01.04.201 3	FOR THE YEAR	ADJUS TMENT	UPTO 31.03.201 4	NET CARR YING AMOU NT AS ON 31.03. 2013	NET CAR RYI NG AM OUN T AS ON 31.03 .2013
	Zota House B-IIInd Floor	5.00%	2.33	0.00	0.00	2.33	0.76	0.08	0.00	0.84	1.49	1.57
3	Office Equipments											
	Air Conditioners	13.91%	5.14	0.24	0.00	5.38	2.24	0.44	0.00	2.67	2.71	2.91
	Elevator (Lift)	13.91%	3.00	0.00	0.00	3.00	1.55	0.20	0.00	1.75	1.25	1.45
	Hydraulic Hand Pallet Truck (Trolley)	13.91%	0.16	0.00	0.00	0.16	0.08	0.01	0.00	0.09	0.06	0.08
	Kirloskar Green Genset	13.91%	3.35	0.00	0.00	3.35	1.18	0.30	0.00	1.49	1.86	2.17
	Platform Trolley	13.91%	0.62	0.00	0.00	0.62	0.08	0.07	0.00	0.15	0.46	0.54
	Strapping Machine	13.91%	1.45	0.00	0.00	1.45	0.49	0.13	0.00	0.62	0.83	0.97
	Tea Vending Machine	13.91%	0.20	0.00	0.00	0.20	0.10	0.01	0.00	0.12	0.08	0.10
	Tripod Stand	13.91%	0.05	0.00	0.00	0.05	0.02	0.00	0.00	0.02	0.02	0.03
	Wireless Tower	13.91%	0.26	0.00	0.00	0.26	0.13	0.02	0.00	0.15	0.11	0.13
	Colour Television	13.91%	0.15	0.00	0.00	0.15	0.11	0.01	0.00	0.11	0.03	0.04
	Epabx Instrument	13.91%	0.62	0.00	0.00	0.62	0.23	0.05	0.00	0.29	0.33	0.39
	Inverter	13.91%	0.08	0.00	0.00	0.08	0.06	0.00	0.00	0.06	0.02	0.03

**FOR YEAR ENDING 31 MARCH 2014**

S R • N O •	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		RATE OF DEPR.	COST AS ON 01.04.2013	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2014	UPTO 01.04.2013	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2014	NET CARRYING AMOUNT AS ON 31.03.2014
	Light Arrestor with Earthing	13.91%	0.09	0.00	0.00	0.09	0.05	0.01	0.00	0.05	0.03
	Sony Projector	13.91%	0.88	0.00	0.00	0.88	0.48	0.06	0.00	0.53	0.34
	Telephone Instrument	13.91%	0.30	0.10	0.00	0.40	0.15	0.02	0.00	0.17	0.23
	Water Cooler	13.91%	0.58	0.00	0.00	0.58	0.25	0.05	0.00	0.30	0.29
	Water Purifier	13.91%	0.08	0.00	0.00	0.08	0.03	0.01	0.00	0.04	0.04
	Misc. Office Equipment	13.91%	1.34	1.20	0.00	2.54	0.47	0.24	0.00	0.71	1.83
4	Furniture & Fixtures	18.10%	31.00	0.83	0.00	31.83	18.20	2.37	0.00	20.56	11.26
5	Computers	40.00%	18.12	2.87	0.00	20.98	14.18	1.96	0.00	16.15	4.84
6	Tempo Vehicle (Tata Ace)	30.00%	3.51	4.20	3.51	4.20	2.08	0.69	2.42	0.35	3.85
	<b>TOTAL</b>		<b>205.69</b>	<b>86.86</b>	<b>3.51</b>	<b>289.04</b>	<b>65.48</b>	<b>11.53</b>	<b>2.42</b>	<b>74.59</b>	<b>214.45</b>
											<b>135.31</b>

**Intangible Assets as on 31st March 2014.**

SR N. O.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	NET CARRYI NG AMOUN T AS ON 31.03.20 13
		RATE OF DEPR.	COST AS ON 01.04.201 3	ADDITI ONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTA L AS ON 31.03. 2014	UPTO 01.04.2013	FOR THE YEAR	ADJUS TMEN T	UPTO 31.03. 2013	
1	Brands/ Trademarks	20.00%	268.92	3.84	0.00	272.76	92.37	35.93	0.00	128.30	144.46
2	Copyrights and Patents	20.00%	14.91	0.40	0.00	15.31	4.36	2.15	0.00	6.51	8.80
	<b>TOTAL</b>		<b>283.84</b>	<b>4.24</b>	<b>0.00</b>	<b>288.07</b>	<b>96.73</b>	<b>38.08</b>	<b>0.00</b>	<b>134.81</b>	<b>153.26</b>
											<b>187.10</b>

FOR YEAR ENDING 31 MARCH 2015											
SR. NO .	PARTICULA RS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		COST AS ON 01.04.201 4	ADDITION S DURING THE YEAR	SALE / DISPOSA L DURING THE YEAR	TOTAL AS ON 31.03.201 5	UPTO 01.04.201 4	FOR THE YEA R	ADJUSTME NT	UPTO 31.03.201 5	NET CARRYIN G AMOUNT AS ON 31.03.2015	NET CARRYIN G AMOUNT AS ON 31.03.2014
1	Land										
	Plot at Bhagvatinagar with Construction	14.29	0.00	0.00	14.29	0.00	0.00	0.00	0.00	14.29	14.29
	Plot Land (Hojliwala Industrial area)	3.23	0.00	0.00	3.23	0.00	0.00	0.00	0.00	3.23	3.23
	Bhagvan Aiyappa Complex (non us)	66.10		0.00	66.10	0.00	0.00	0.00	0.00	66.10	66.10
2	Buildings										
	Bhagvan Aiyappa Complex (office)	105.61	15.99	0.00	121.60	21.85	4.22	0.00	26.08	95.53	83.76
	Zota House B- First Floor	6.00	0.00	0.00	6.00	1.49	0.22	0.00	1.71	4.29	4.51
	Zota House A- First Floor	5.51	0.00	0.00	5.51	1.36	0.20	0.00	1.56	3.95	4.15

## FOR YEAR ENDING 31 MARCH 2015

SR. NO .	PARTICULA RS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.201 4	ADDITION S DURING THE YEAR	SALE / DISPOSA L DURING THE YEAR	TOTAL AS ON 31.03.201 5	UPTO 01.04.201 4	FOR THE YEA R	ADJUSTME NT	UPTO 31.03.201 5	NET CARRYIN G AMOUNT AS ON 31.03.2015	
	Zota House A-IIInd Floor & B-First Fl.	6.00	0.00	0.00	6.00	1.59	0.22	0.00	1.81	4.19	4.41
	Zota House B-Gr. Floor	3.09	0.00	0.00	3.09	1.08	0.10	0.00	1.18	1.91	2.01
	Zota House B-IIInd Floor	2.33	1.77	0.00	4.10	0.84	0.08	0.00	0.92	3.19	1.49
3	Office Equipments										
	Air Conditioners	5.38	0.59	0.00	5.97	2.67	0.63	0.00	3.30	2.67	2.71
	Elevator (Lift)	3.00	8.45	0.00	11.45	1.75	1.25	0.00	3.00	8.45	1.25
	Hydraulic Hand Pallet Truck (Trolley)	0.16	0.00	0.00	0.16	0.09	0.01	0.00	0.10	0.05	0.06
	Kirloskar Green Genset	3.35	0.00	0.00	3.35	1.49	0.37	0.00	1.85	1.50	1.86
	Platform Trolley	0.62	0.00	0.00	0.62	0.15	0.09	0.00	0.24	0.37	0.46
	Strapping Machine	1.45	0.00	0.00	1.45	0.62	0.17	0.00	0.79	0.66	0.83
	Tea Vending Machine	0.20	0.00	0.00	0.20	0.12	0.02	0.00	0.13	0.07	0.08
	Tripod Stand	0.05	0.00	0.00	0.05	0.02	0.00	0.00	0.03	0.02	0.02
	Wireless Tower	0.26	0.00	0.00	0.26	0.15	0.02	0.00	0.17	0.09	0.11

## FOR YEAR ENDING 31 MARCH 2015

SR. NO .	PARTICULA RS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		COST AS ON 01.04.201 4	ADDITION S DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.201 5	UPTO 01.04.201 4	FOR THE YEA R	ADJUSTME NT	UPTO 31.03.201 5	NET CARRYIN G AMOUNT AS ON 31.03.2015	NET CARRYIN G AMOUNT AS ON 31.03.2014
	Colour Television	0.15	0.00	0.00	0.15	0.11	0.01	0.00	0.12	0.03	0.03
	Epabx Instrument	0.62	0.00	0.00	0.62	0.29	0.07	0.00	0.35	0.27	0.33
	Inverter	0.08	0.00	0.00	0.08	0.06	0.00	0.00	0.07	0.02	0.02
	Light Arrestor with Earthing	0.09	0.00	0.00	0.09	0.05	0.01	0.00	0.06	0.03	0.03
	Sony Projector	0.88	0.00	0.00	0.88	0.53	0.07	0.00	0.60	0.27	0.34
	Telephone Instrument	0.40	0.48	0.00	0.88	0.17	0.09	0.00	0.26	0.62	0.23
	Water Cooler	0.58	0.00	0.00	0.58	0.30	0.06	0.00	0.35	0.23	0.29
	Water Purifier	0.08	0.11	0.00	0.19	0.04	0.02	0.00	0.06	0.13	0.04
	Misc. Office Equipment	2.54	2.63	0.00	5.17	0.71	1.49	(0.31)	2.51	2.66	1.83
4	Furniture & Fixtures	31.83	6.22	0.00	38.04	20.56	5.06	0.00	25.62	12.42	11.26
5	Computers	20.98	13.34	0.00	34.33	16.15	6.65	(1.88)	24.68	9.65	4.84
6	Tempo Vehicle (Tata Ace)	4.20	0.00	0.00	4.20	0.35	1.31	0.00	1.66	2.54	3.85
	<b>TOTAL</b>	<b>289.04</b>	<b>49.59</b>	<b>0.00</b>	<b>338.63</b>	<b>74.59</b>	<b>22.44</b>	<b>(2.19)</b>	<b>99.22</b>	<b>239.41</b>	<b>214.45</b>

**Intangible Assets as on 31st March 2015.**

SR. NO .	PARTICULA RS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		COST AS ON 01.04.201 4	ADDITION S DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.201 5	UPTO 01.04.201 4	FOR THE YEA R	ADJUSTME NT	UPTO 31.03.201 5		
1	Brands/ Trademarks	272.76	3.01	0.00	275.77	128.30	42.17	0.00	170.47	105.30	144.46
2	Copyrights and Patents	15.31	3.84	0.00	19.16	6.51	3.32	0.00	9.83	9.33	8.80
<b>TOTAL</b>		<b>288.07</b>	<b>6.86</b>	<b>0.00</b>	<b>294.93</b>	<b>134.81</b>	<b>45.49</b>	<b>0.00</b>	<b>180.30</b>	<b>114.63</b>	<b>153.26</b>

FOR YEAR ENDING 31 MARCH 2016											
SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		COST AS ON 01.04. 2015	ADDIT IONS DURIN G THE YEAR	SALE / DISPO SAL DURIN G THE YEAR	TOTAL AS ON 31.03.20 16	UPTO 01.04.2 015	FOR THE YEAR	ADJU STM ENT	UPTO 31.03.2 016	NET CARRYI NG AMOUNT AS ON 31.03.2016	NET CARRYIN G AMOUNT AS ON 31.03.2015
1	Land										
	Plot at Bhagvatinagar with Construction	14.29	0.00	0.00	14.29	0.00	0.00	0.00	0.00	14.29	14.29
	Plot Land (Hojliwala Industrial area)	3.23	0.00	0.00	3.23	0.00	0.00	0.00	0.00	3.23	3.23
	Bhagvan Alyappa Complex (non us)	66.10		0.00	66.10	0.00	0.00	0.00	0.00	66.10	66.10
2	Buildings										
	Bhagvan Aiyappa Complex (office)	121.60	0.00	0.00	121.60	26.08	4.71	0.00	30.78	90.82	95.53
	Zota House B-First Floor	6.00	0.00	0.00	6.00	1.71	0.21	0.00	1.92	4.08	4.29
	Zota House A-First Floor	5.51	0.00	0.00	5.51	1.56	0.19	0.00	1.75	3.75	3.95
	Zota House A-IIInd Floor & B-First Fl.	6.00	0.00	0.00	6.00	1.81	0.21	0.00	2.01	3.99	4.19
	Zota House B-Gr. Floor	3.09	0.00	0.00	3.09	1.18	0.09	0.00	1.27	1.82	1.91
	Zota House B-IIInd Floor	4.10	0.00	0.00	4.10	0.92	0.16	0.00	1.07	3.03	3.19
3	Office Equipments										
	Air Conditioners	5.97	0.00	0.00	5.97	3.30	0.54	0.00	3.84	2.13	2.67
	Elevator (Lift)	11.45	0.00	0.00	11.45	3.00	1.56	0.00	4.56	6.89	8.45
	Hydraulic Hand Pallet Truck (Trolley)	0.16	0.00	0.00	0.16	0.10	0.01	0.00	0.11	0.04	0.05
	Kirloskar Green Genset	3.35	0.00	0.00	3.35	1.85	0.29	0.00	2.15	1.20	1.50
	Platform Trolley	0.62	0.00	0.00	0.62	0.24	0.07	0.00	0.31	0.30	0.37

FOR YEAR ENDING 31 MARCH 2016											
SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04. 2015	ADDIT IONS DURIN G THE YEAR	SALE / DISPO SAL DURIN G THE YEAR	TOTAL AS ON 31.03.20 16	UPTO 01.04.2 015	FOR THE YEAR	ADJU STM ENT	UPTO 31.03.2 016	NET CARRYI NG AMOUNT AS ON 31.03.2016	NET CARRYIN G AMOUNT AS ON 31.03.2015
	Strapping Machine	1.45	0.00	0.00	1.45	0.79	0.14	0.00	0.93	0.53	0.66
	Tea Vending Machine	0.20	0.00	0.00	0.20	0.13	0.01	0.00	0.15	0.05	0.07
	Tripod Stand	0.05	0.00	0.00	0.05	0.03	0.00	0.00	0.03	0.01	0.02
	Wireless Tower	0.26	0.00	0.00	0.26	0.17	0.02	0.00	0.19	0.07	0.09
	Colour Television	0.15	0.00	0.00	0.15	0.12	0.01	0.00	0.13	0.02	0.03
	Epabx Instrument	0.62	0.00	0.00	0.62	0.35	0.05	0.00	0.41	0.21	0.27
	Inverter	0.08	0.00	0.00	0.08	0.07	0.00	0.00	0.07	0.01	0.02
	Light Arrestor with Earthing	0.09	0.00	0.00	0.09	0.06	0.01	0.00	0.06	0.02	0.03
	Sony Projector	0.88	0.00	0.00	0.88	0.60	0.06	0.00	0.66	0.22	0.27
	Telephone Instrument	0.88	0.38	0.00	1.25	0.26	0.16	0.00	0.42	0.84	0.62
	Water Cooler	0.58	0.00	0.00	0.58	0.35	0.04	0.00	0.40	0.19	0.23
	Water Purifier	0.19		0.00	0.19	0.06	0.02	0.00	0.08	0.11	0.13
	Misc. Office Equipment	5.17	0.71	0.00	5.87	2.51	1.32		3.83	2.04	2.66
4	Furniture & Fixtures	38.04	0.00	0.00	38.04	25.62	3.69	0.00	29.31	8.73	12.42
5	Computers	34.33	7.71	0.00	42.04	24.68	9.43	0.00	34.11	7.93	9.65
6	Tempo Vehicle (Tata Ace)	4.20	0.00	4.20	0.00	1.66	0.09	1.75	0.00	0.00	2.54
	<b>TOTAL</b>	<b>338.63</b>	<b>8.79</b>	<b>4.20</b>	<b>343.22</b>	<b>99.22</b>	<b>23.09</b>	<b>1.75</b>	<b>120.56</b>	<b>222.66</b>	<b>239.41</b>

**Intangible Assets as on 31st March 2016.**

S R .N O .	PARTICULAR S	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		COST AS ON 01.04. 2015	ADDITI ONS DURING THE YEAR	SALE / DISPO SAL DURIN G THE YEAR	TOTAL AS ON 31.03.20 16	UPTO 01.04.2015	FOR THE YEAR	ADJUS TMEN T	UPTO 31.03.20 16		
1	Brands/ Trademarks	275.77	4.58	0.00	280.35	170.47	31.53	0.00	202.00	78.35	105.30
2	Copyrights and Patents	19.16	0.00	0.00	19.16	9.83	2.68	0.00	12.51	6.65	9.33
	<b>TOTAL</b>	<b>294.93</b>	<b>4.58</b>	<b>0.00</b>	<b>299.51</b>	<b>180.30</b>	<b>34.21</b>	<b>0.00</b>	<b>214.51</b>	<b>85.00</b>	<b>114.63</b>

Capital Work-in Progress as on 31st March, 2016											
SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.2015	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2016	UPTO 01.04.2015	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2016	NET CARRYING AMOUNT AS ON 31.03.2016	NET CARRYING AMOUNT AS ON 31.03.2015
1	Bhagyan Aiyappa Complex (Office)	0.00	89.01	0.00	89.01	0.00	0.00	0.00	0.00	89.01	0.00
2	Elevator (Lift)	0.00	2.15	0.00	2.15	0.00	0.00	0.00	0.00	2.15	0.00
3	Furniture & Fixtures	0.00	17.56	0.00	17.56	0.00	0.00	0.00	0.00	17.56	0.00
4	Air Conditioners	0.00	3.76	0.00	3.76	0.00	0.00	0.00	0.00	3.76	0.00
5	Zota House B-Gr. Floor	0.00	0.70	0.00	0.70	0.00	0.00	0.00	0.00	0.70	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>113.18</b>	<b>0.00</b>	<b>113.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>113.18</b>	<b>0.00</b>

FOR PERIOD ENDING 31 DECEMBER 2016											
SR . N.O.	PARTICUL ARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.2016	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.12.2016	UPTO 01.04.2016	FOR THE YEAR	ADJUSTMENT	UPTO 30.06.2016	NET CARRYING AMOUNT AS ON 31.03.2016	
1	Land										
	Plot at Bhagvatinagar with Construction	14.29	-	-	14.29	-	-	-	-	14.29	14.29
	Plot Land (Hojliwala Industrial area)	3.23	2.31	-	5.54	-	-	-	-	5.54	3.23
	Bhagvan Alyappa Complex (non us)	66.10	-	-	66.10	-	-	-	-	66.10	66.10
2	Buildings										
	Bhagvan Aiyappa Complex (office)	121.60	-	-	121.60	30.78	3.37	-	34.15	87.45	90.82
	Zota House B-First Floor	6.00	-	-	6.00	1.92	0.15	-	2.07	3.93	4.08

**FOR PERIOD ENDING 31 DECEMBER 2016**

<b>SR .N O.</b>	<b>PARTICUL ARS</b>	<b>GROSS BLOCK</b>			<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>		
		<b>COST AS ON 01.04.20 16</b>	<b>ADDITIO NS DURING THE YEAR</b>	<b>SALE / DISPOS AL DURING THE YEAR</b>	<b>TOTAL AS ON 31.12.2016</b>	<b>UPTO 01.04.20 16</b>	<b>FOR THE YEAR</b>	<b>ADJUSTM ENT</b>	<b>UPTO 30.06.2016</b>	<b>NET CARRYI NG AMOUN T AS ON 31.03.201 6</b>	
	Zota House A-First Floor	5.51	-	-	5.51	1.75	0.14	-	1.89	3.61	3.75
	Zota House A-IIInd Floor & B-First Fl.	6.00	-	-	6.00	2.01	0.15	-	2.16	3.84	3.99
	Zota House B-Gr. Floor	3.09	-	-	3.09	1.27	0.07	-	1.34	1.75	1.82
	Zota House B-IIInd Floor	4.10	-	-	4.10	1.07	0.11	-	1.18	2.92	3.03
3	Office Equipments										
	Air Conditioners	5.97	0.27	-	6.24	3.84	0.34	-	4.18	2.06	2.13
	Elevator (Lift)	11.45	-	-	11.45	4.56	0.96	-	5.52	5.94	6.89
	Hydraulic Hand Pallet Truck (Trolley)	0.16	-	-	0.16	0.11	0.01	-	0.12	0.03	0.04
	Kirloskar Green Genset	3.35	-	-	3.35	2.15	0.18	-	2.33	1.02	1.20
	Platform Trolley	0.62	-	-	0.62	0.31	0.04	-	0.36	0.26	0.30

**FOR PERIOD ENDING 31 DECEMBER 2016**

<b>SR N O.</b>	<b>PARTICUL ARS</b>	<b>GROSS BLOCK</b>			<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>		
		<b>COST AS ON 01.04.20 16</b>	<b>ADDITIO NS DURING THE YEAR</b>	<b>SALE / DISPOS AL DURING THE YEAR</b>	<b>TOTAL AS ON 31.12.2016</b>	<b>UPTO 01.04.20 16</b>	<b>FOR THE YEAR</b>	<b>ADJUSTM ENT</b>	<b>UPTO 30.06.2016</b>	<b>NET CARRYI NG AMOUN T AS ON 31.03.201 6</b>	
	Strapping Machine	1.45	-	-	1.45	0.93	0.08	-	1.01	0.45	0.53
	Tea Vending Machine	0.20	0.10	-	0.30	0.15	0.01	-	0.16	0.14	0.05
	Tripod Stand	0.05	-	-	0.05	0.03	0.00	-	0.03	0.01	0.01
	Wireless Tower	0.26	0.03	-	0.29	0.19	0.01	-	0.20	0.08	0.07
	Colour Television	0.15	-	-	0.15	0.13	0.00	-	0.13	0.02	0.02
	Epabx Instrument	0.62	-	-	0.62	0.41	0.03	-	0.44	0.18	0.21
	Inverter	0.08	-	-	0.08	0.07	0.00	-	0.07	0.01	0.01
	Light Arrestor with Earthing	0.09	-	-	0.09	0.06	0.00	-	0.07	0.02	0.02
	Sony Projector	0.88	-	-	0.88	0.66	0.03	-	0.69	0.18	0.22
	Telephone Instrument	1.25	2.74	-	3.99	0.42	0.38	-	0.80	3.19	0.84
	Water Cooler	0.58	0.38	-	0.97	0.40	0.05	-	0.45	0.52	0.19
	Water Purifier	0.19	-	-	0.19	0.08	0.02	-	0.10	0.09	0.11

## FOR PERIOD ENDING 31 DECEMBER 2016

SR N O.	PARTICUL ARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.20 16	ADDITIO NS DURING THE YEAR	SALE / DISPOS AL DURING THE YEAR	TOTAL AS ON 31.12.2016	UPTO 01.04.20 16	FOR THE YEAR	ADJUSTM ENT	UPTO 30.06.2016		NET CARRYI NG AMOUN T AS ON 31.03.201 6
	Misc.Office Equipment	5.87	1.15	-	7.02	3.83	0.94		4.76	2.26	2.04
4	Furniture & Fixtures	38.04	0.12	-	38.16	29.31	1.87	-	31.18	6.98	8.73
5	Computers	42.04	9.80	-	51.84	34.11	5.67	-	39.78	12.06	7.93
	<b>TOTAL</b>	<b>343.22</b>	<b>16.90</b>	-	<b>360.13</b>	<b>120.56</b>	<b>14.62</b>	-	<b>135.18</b>	<b>224.95</b>	<b>222.66</b>

**Intangible Assets as on 31<sup>st</sup> December, 2016.**

S R. N O.	PARTICU LARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.2016	ADDITI ONS DURING THE YEAR	SALE / DISPOS AL DURIN G THE YEAR	TOTAL AS ON 31.12.2016	UPTO 01.04.2016	FOR THE YEAR	ADJUSTME NT	UPTO 31.12.2016		
1	Brands/ Trademarks	280.35	-	-	280.35	202.00	17.03	-	219.03	61.32	78.35
2	Copyrights and Patents	19.16	24.26	-	43.42	12.51	5.58	-	18.08	25.33	6.65
	<b>TOTAL</b>	<b>299.51</b>	<b>24.26</b>	<b>-</b>	<b>323.77</b>	<b>214.51</b>	<b>22.60</b>	<b>-</b>	<b>237.12</b>	<b>86.65</b>	<b>85.00</b>

Capital Work-in Progress as on 31 <sup>st</sup> December, 2016											
S.R.N.O.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	COST AS ON 01.04.2016	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.12.2016	UPTO 01.04.2016	FOR THE YEAR	ADJUSTMENT	UPTO 31.12.2016	NET CARRYING AMOUNT AS ON 31.12.2016	NET CARRYING AMOUNT AS ON 31.03.2016	
1	Bhagvan Aiyappa Complex (Office)	89.01	17.69	-	106.70	-	-	-	106.70	89.01	
2	Elevator (Lift)	2.15	2.64	-	4.79	-	-	-	4.79	2.15	
3	Furniture & Fixtures	17.56	7.18	-	24.74	-	-	-	24.74	17.56	
	Furniture & Fixtures – Sagrampura	-	2.56	-	2.50	-	-	-	2.50	-	
4	Air Conditioners	3.76	0.53	-	4.29	-	-	-	4.29	3.76	
5	Zota House B-Gr. Floor	0.70	4.94	-	5.64	-	-	-	5.64	0.70	
	<b>TOTAL</b>	<b>113.18</b>	<b>35.48</b>	<b>-</b>	<b>148.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148.66</b>	<b>113.18</b>	

**ANNEXURE – G2**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE FIXED ASSETS SCHEDULE (SEZ)**
*(Rs. In Lacs)*
**FOR THE YEAR ENDING 2012**

<b>Sr. N O.</b>	<b>PARTICULARS</b>	<b>RATE OF DEPR.</b>	<b>GROSS BLOCK</b>				<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>	
			<b>COST AS ON 01.04. 2011</b>	<b>ADDIT IONS DURIN G THE YEAR</b>	<b>SALE / DISPOS AL DURING THE YEAR</b>	<b>TOTAL AS ON 31.03.20 12</b>	<b>UPTO 01.04.20 11</b>	<b>FOR THE YEA R</b>	<b>ADJUSTME NT</b>	<b>UPTO 31.03.20 12</b>	<b>NET CARRYI NG AMOUNT AS ON 31.03.2012</b>	<b>NET CARRYI NG AMOUNT AS ON 31.03.2011</b>
1	Land	0.00%	13.50	60.00	0.00	73.50	0.00	0.00	0.00	0.00	73.50	13.50
2	Factory Buildings	10.00%	130.03	0.42	0.00	130.45	0.00	13.03	0.00	13.03	117.42	130.03
3	Plant & Equipment											
	AHC-AC-Ducting	13.91%	138.98	1.55	6.41	134.12	0.00	18.48	0.00	18.48	115.64	138.98
	Air Compressor	13.91%	4.51	0.00	0.00	4.51	0.00	0.63	0.00	0.63	3.88	4.51
	Boiler & Its Parts	13.91%	9.19	0.00	0.00	9.19	0.00	1.28	0.00	1.28	7.91	9.19
	Capsule Dept Machhine	13.91%	52.74	14.49	2.43	64.80	0.00	8.71	0.00	8.71	56.09	52.74
	Generator Set	13.91%	0.00	11.91	0.00	11.91	0.00	0.84	0.00	0.84	11.07	0.00
	Lab Instrument	13.91%	40.20	2.30	1.85	40.65	0.00	5.55	0.00	5.55	35.09	40.20
	Lift (Elevetor)	13.91%	13.42	0.00	0.00	13.42	0.00	1.87	0.00	1.87	11.56	13.42
	Misc. Machinary	13.91%	18.89	3.21	0.00	22.10	0.00	2.97	0.00	2.97	19.13	18.89
	Teblet Sec Machines	13.91%	93.23	3.85	4.31	92.77	0.00	12.71	0.00	12.71	80.05	93.23

**ANNEXURE – G2**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE FIXED ASSETS SCHEDULE (SEZ)**
*(Rs. In Lacs)*
**FOR THE YEAR ENDING 2012**

<b>Sr. N O.</b>	<b>PARTICULARS</b>		<b>GROSS BLOCK</b>				<b>DEPRECIATION BLOCK</b>				<b>NET BLOCK</b>	
			<b>RATE OF DEPR.</b>	<b>COST AS ON 01.04. 2011</b>	<b>ADDIT IONS DURIN G THE YEAR</b>	<b>SALE / DISPOS AL DURING THE YEAR</b>	<b>TOTAL AS ON 31.03.20 12</b>	<b>UPTO 01.04.20 11</b>	<b>FOR THE YEA R</b>	<b>ADJUSTME NT</b>	<b>UPTO 31.03.20 12</b>	<b>NET CARRYI NG AMOUNT AS ON 31.03.2012</b>
	Water System and Plumbing Work	13.91%	18.22	0.24	0.00	18.46	0.00	2.56	0.00	2.56	15.90	18.22
	Weight Balances	13.91%	10.30	0.23	0.00	10.54	0.00	1.46	0.00	1.46	9.08	10.30
4	Furniture & Fixtures	18.10%	25.62	1.82	0.00	27.44	0.00	4.79	0.00	4.79	22.65	25.62
5	Electric Accessories	13.91%	36.23	0.25	0.00	36.48	0.00	5.06	0.00	5.06	31.42	36.23
6	Office Equipment	13.91%	9.16	2.28	0.00	11.44	0.00	1.49	0.00	1.49	9.96	9.16
7	Computer	40.00%	10.28	2.62	0.00	12.91	0.00	4.83	0.00	4.83	8.08	10.28
	<b>TOTAL</b>		<b>624.51</b>	<b>105.17</b>	<b>15.00</b>	<b>714.68</b>	<b>0.00</b>	<b>86.25</b>	<b>0.00</b>	<b>86.25</b>	<b>628.42</b>	<b>624.51</b>

FOR THE YEAR ENDING 2013												
S.N O.	PARTICULARS		GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		RATE OF DEPR.	COST AS ON 01.04. 2012	ADDIT IONS DURIN G THE YEAR	SALE / DISPOS AL DURING THE YEAR	TOTAL AS ON 31.03.201 3	UPTO 01.04.20 12	FOR THE YEAR	ADJUS TMEN T	UPTO 31.03.20 13	NET CARRYI NG AMOUNT AS ON 31.03.2013	NET CARRYI NG AMOUN T AS ON 31.03.2012
1	Land	0.00%	73.50	0.00	0.00	73.50	0.00	0.00	0.00	0.00	73.50	73.50
2	Factory Buildings	10.00%	130.45	2.87	0.00	133.32	13.03	11.95	0.00	24.98	108.34	117.42
3	Plant & Equipment											
	AHC-AC-Ducting	13.91%	134.12	5.73	0.00	139.85	18.48	16.24	0.00	34.72	105.13	115.64
	Air Compressor	13.91%	4.51	0.00	0.00	4.51	0.63	0.54	0.00	1.17	3.34	3.88
	Boiler & Its Parts	13.91%	9.19	0.00	0.00	9.19	1.28	1.10	0.00	2.38	6.81	7.91
	Capsule Dept Machhine	13.91%	64.80	8.52	0.00	73.32	8.71	8.41	0.00	17.11	56.20	56.09
	Generator Set	13.91%	11.91	0.00	0.00	11.91	0.84	1.54	0.00	2.38	9.53	11.07
	Lab Instrument	13.91%	40.65	0.95	0.00	41.60	5.55	4.93	0.00	10.49	31.11	35.09
	Lift (Elevetor)	13.91%	13.42	0.00	0.00	13.42	1.87	1.61	0.00	3.47	9.95	11.56
	Misc. Machinary	13.91%	22.10	1.53	0.00	23.63	2.97	2.80	0.00	5.77	17.87	19.13
	Teblet Sec Machines	13.91%	92.77	17.05	0.00	109.82	12.71	12.23	0.00	24.95	84.87	80.05
	Water System and Plumbing Work	13.91%	18.46	0.00	0.00	18.46	2.56	2.21	0.00	4.77	13.69	15.90
	Weight Balances	13.91%	10.54	0.23	0.00	10.77	1.46	1.29	0.00	2.75	8.02	9.08
4	Furniture & Fixtures	18.10%	27.44	3.56	0.00	31.00	4.79	4.50	0.00	9.29	21.72	22.65
5	Electric Accessories	13.91%	36.48	0.09	0.00	36.56	5.06	4.37	0.00	9.43	27.13	31.42
6	Office Equipment	13.91%	11.44	0.13	0.00	11.57	1.49	1.40	0.00	2.89	8.68	9.96
7	Computer	40.00%	12.91	0.42	0.00	13.33	4.83	3.35	0.00	8.18	5.15	8.08
	<b>TOTAL</b>		<b>714.68</b>	<b>41.07</b>	<b>0.00</b>	<b>755.75</b>	<b>86.25</b>	<b>78.46</b>	<b>0.00</b>	<b>164.72</b>	<b>591.03</b>	<b>628.42</b>

FOR THE YEAR ENDING 2014												
S.NO.	PARTICULARS	RATE OF DEPR.	COST AS ON 01.04.2013	ADDIT IONS DURIN G THE YEAR	SALE / DISPOS AL DURING THE YEAR	TOTAL AS ON 31.03.2014	UPTO 01.04. 2013	FOR THE YEAR	ADJUS TMEN T	UPTO 31.03. 2014	NET CARRYI NG AMOUNT AS ON 31.03.2014	NET CARRYI NG AMOUN T AS ON 31.03.2013
1	Land	0.00%	73.50	0.00	0.00	73.50	0.00	0.00	0.00	0.00	73.50	73.50
2	Factory Buildings	10.00%	133.32	0.61	0.00	133.93	24.98	10.89	0.00	35.87	98.06	108.34
3	Plant & Equipment											
	AHC-AC-Ducting	13.91%	139.85	1.69	0.00	141.54	34.72	14.67	0.00	49.39	92.15	105.13
	Air Compressor	13.91%	4.51	0.00	0.00	4.51	1.17	0.46	0.00	1.63	2.88	3.34
	Boiler & Its Parts	13.91%	9.19	0.00	0.00	9.19	2.38	0.95	0.00	3.33	5.86	6.81
	Capsule Dept Machhine	13.91%	73.32	0.00	0.00	73.32	17.11	7.82	0.00	24.93	48.38	56.20
	Generator Set	13.91%	11.91	0.00	0.00	11.91	2.38	1.33	0.00	3.70	8.21	9.53
	Lab Instrument	13.91%	41.60	2.68	0.00	44.28	10.49	4.54	0.00	15.03	29.25	31.11
	Lift (Elevetor)	13.91%	13.42	0.00	0.00	13.42	3.47	1.38	0.00	4.86	8.57	9.95
	Misc. Machinary	13.91%	23.63	0.00	0.00	23.63	5.77	2.49	0.00	8.25	15.38	17.87
	Teblet Section Machines	13.91%	109.82	14.01	0.00	123.82	24.95	12.47	0.00	37.41	86.41	84.87
	Water System and Plumbing Work	13.91%	18.46	0.00	0.00	18.46	4.77	1.90	0.00	6.67	11.78	13.69
	Weight Balances	13.91%	10.77	0.00	0.00	10.77	2.75	1.12	0.00	3.87	6.90	8.02
4	Furiture & Fixtures	18.10%	31.00	0.58	0.00	31.58	9.29	4.03	0.00	13.31	18.27	21.72
5	Electric Accessories	13.91%	36.56	0.00	0.00	36.56	9.43	3.77	0.00	13.21	23.35	27.13
6	Office Equipment	13.91%	11.57	0.00	0.00	11.57	2.89	1.21	0.00	4.09	7.48	8.68
7	Computer	40.00%	13.33	0.20	0.00	13.53	8.18	2.07	0.00	10.25	3.28	5.15
	<b>TOTAL</b>		<b>755.75</b>	<b>19.77</b>	<b>0.00</b>	<b>775.52</b>	<b>164.72</b>	<b>71.09</b>	<b>0.00</b>	<b>235.80</b>	<b>539.72</b>	<b>591.03</b>

FOR THE YEAR ENDING 2015											
S. N O.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.2014	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2015	UPTO 01.04.2014	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2015	NET CARRYING AMOUNT AS ON 31.03.2015	NET CARRYING AMOUNT AS ON 31.03.2014
1	Land	73.50	0.00	0.00	73.50	0.00	0.00	0.00	0.00	73.50	73.50
2	Factory Buildings	133.93	0.00	0.00	133.93	35.87	4.51	0.00	40.37	93.55	98.06
3	Plant & Equipment										
	AHC-AC-Ducting	141.54	0.00	0.00	141.54	49.39	17.65	0.00	67.04	74.51	92.15
	Air Compressor	4.51	0.17	0.00	4.68	1.63	0.56	0.00	2.19	2.49	2.88
	Boiler & Its Parts	9.19	0.54	0.00	9.73	3.33	1.17	0.00	4.50	5.23	5.86
	Capsule Dept Machhine	73.32	0.17	0.00	73.48	24.93	9.30	0.00	34.23	39.25	48.38
	Generator Set	11.91	0.00	0.00	11.91	3.70	1.61	0.00	5.32	6.60	8.21
	Lab Instrument	44.28	1.49	0.00	45.77	15.03	5.79	0.00	20.82	24.95	29.25
	Lift (Elevetor)	13.42	0.00	0.00	13.42	4.86	1.64	0.00	6.50	6.93	8.57
	Misc. Machinary	23.63	0.00	0.00	23.63	8.25	2.95	0.00	11.20	12.43	15.38
	Teblet Section Machines	123.82	11.57	0.00	135.39	37.41	18.16	0.00	55.57	79.82	86.41
	Water System and Plumbing Work	18.46	0.00	0.00	18.46	6.67	2.25	0.00	8.93	9.53	11.78
	Weight Balances	10.77	0.00	0.00	10.77	3.87	1.32	0.00	5.19	5.58	6.90
4	Furniture & Fixtures	31.58	0.26	0.00	31.84	13.31	5.34	0.00	18.65	13.19	18.27
5	Electric Accessories	36.56	0.26	0.00	36.82	13.21	4.47	0.00	17.68	19.14	23.35
6	Office Equipment	11.57	0.00	0.00	11.57	4.09	5.38	0.00	9.48	2.09	7.48
7	Computer	13.53	0.80	0.00	14.33	10.25	0.58	(2.91)	13.73	0.60	3.28
	<b>TOTAL</b>	<b>775.52</b>	<b>15.25</b>	<b>0.00</b>	<b>790.78</b>	<b>235.80</b>	<b>82.67</b>	<b>(2.91)</b>	<b>321.38</b>	<b>469.39</b>	<b>539.72</b>

FOR THE YEAR ENDING 2016											
S.N O.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.20 15	ADDITI ONS DURING THE YEAR	SALE / DISPOS AL DURING THE YEAR	TOTAL AS ON 31.03.20 16	UPTO 01.04.20 15	FOR THE YEAR	ADJUST MENT	UPTO 31.03.201 6	NET CARRYIN G AMOUNT AS ON 31.03.2016	NET CARRYIN G AMOUNT AS ON 31.03.2015
1	Land	73.50	0.00	0.00	73.50	0.00	0.00	0.00	0.00	73.50	73.50
2	Factory Buildings	133.93	1.07	0.00	135.00	40.37	4.33	0.00	44.70	90.29	93.55
3	Plant & Equipment										
	AHC-AC-Ducting	141.54	1.76	0.00	143.31	67.04	14.48	0.00	81.52	61.79	74.51
	Air Compressor	4.68	0.39	0.00	5.07	2.19	0.55	0.00	2.74	2.34	2.49
	Boiler & Its Parts	9.73	0.63	0.00	10.36	4.50	1.06	0.00	5.56	4.80	5.23
	Capsule Dept Machhine	73.48	1.62	0.00	75.11	34.23	7.74	0.00	41.97	33.13	39.25
	Generator Set	11.91	0.00	0.00	11.91	5.32	1.30	0.00	6.61	5.30	6.60
	Lab Instrument	45.77	0.00	0.00	45.77	20.82	4.75	0.00	25.58	20.19	24.95
	Lift (Elevetor)	13.42	0.00	0.00	13.42	6.50	1.32	0.00	7.82	5.60	6.93
	Misc. Machinary	23.63	0.00	0.00	23.63	11.20	2.38	0.00	13.58	10.05	12.43
	Teblet Section Machines	135.39	3.08	0.00	138.46	55.57	15.41	0.00	70.98	67.48	79.82
	Water System and Plumbing Work	18.46	0.00	0.00	18.46	8.93	1.82	0.00	10.75	7.71	9.53
	Weight Balances	10.77	0.00	0.00	10.77	5.19	1.07	0.00	6.25	4.51	5.58
4	Furniture & Fixtures	31.84	2.50	0.00	34.34	18.65	4.21	0.00	22.86	11.47	1.32
5	Electric Accessories	36.82	0.00	0.00	36.82	17.68	3.66	0.00	21.34	15.48	19.14
6	Office Equipment	11.57	0.14	0.00	11.71	9.48	1.51	0.00	10.99	0.72	2.09
7	Computer	14.33	0.75	0.00	15.08	13.73	0.56		14.29	0.78	0.60
	<b>TOTAL</b>	<b>790.78</b>	<b>11.94</b>	<b>0.00</b>	<b>802.72</b>	<b>321.38</b>	<b>66.17</b>	<b>0.00</b>	<b>387.55</b>	<b>415.17</b>	<b>457.52</b>

**FOR THE QUARTER ENDING ON 31<sup>st</sup> December, 2016**

S.N O.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		COST AS ON 01.04.20 16	ADDIT IONS DURIN G THE YEAR	SALE / DISPOSA L DURING THE YEAR	TOTAL AS ON 31.12.201 6	UPTO 01.04.2016	FOR THE YEA R	ADJUS TMEN T	UPTO 31.12.201 6	NET CARRYI NG AMOUN T AS ON 31.12.201 6	NET CARRYI NG AMOUN T AS ON 31.03.201 6
1	Land	73.50	-	-	73.50	-	-	-	-	73.50	73.50
2	Factory Buildings	135.00	-	-	135.00	44.70	3.13	-	47.83	87.16	90.29
3	Plant & Equipment										
	AHC-AC-Ducting	143.31	-	-	143.31	81.52	8.90	-	90.42	52.88	61.79
	Air Compressor	5.07	-	-	5.07	2.74	0.33	-	3.07	2.01	2.34
	Boiler & Its Parts	10.36	0.14	-	10.50	5.56	0.69	-	6.25	4.57	4.80
	Capsule Dept Machhine	75.11	-	-	75.11	41.97	4.77	-	46.75	28.36	33.13
	Generator Set	11.91	-	-	11.91	6.61	0.78	-	7.39	4.52	5.30
	Lab Instrument	45.77	0.83	-	46.59	25.58	2.99	-	28.57	18.03	20.19
	Lift (Elevetor)	13.42	-	-	13.42	7.82	0.81	-	8.63	4.80	5.60
	Misc. Machinary	23.63	-	-	23.63	13.58	1.45	-	15.03	8.60	10.05
	Teblet Section Machines	138.46	2.84	-	141.30	70.98	10.01	-	80.99	60.31	67.48
	Water System and Plumbing Work	18.46	-	-	18.46	10.75	1.11	-	11.86	6.60	7.71
	Weight Balances	10.77	-	-	10.77	6.25	0.65	-	6.90	3.86	4.51
4	Furniture & Fixtures	34.34	0.02	-	34.36	22.86	2.45	-	25.31	9.05	11.47
5	Electric Accessories	36.82	0.78	-	37.60	21.34	2.33	-	23.67	13.94	15.48
6	Office Equipment	11.71	-	-	11.71	10.99	0.36	-	11.36	0.36	0.72
7	Computer	15.08	0.05	0.00	15.12	14.29	0.40	-	14.70	0.43	0.78
	<b>TOTAL</b>	<b>802.72</b>	<b>4.65</b>	-	<b>807.37</b>	<b>387.55</b>	<b>41.17</b>	-	<b>428.72</b>	<b>378.65</b>	<b>415.17</b>

ANNEXURE -H						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF LONG-TERM LOANS AND ADVANCES</b>						
(Rs. In Lakhs)						
Particulars	As at December 31,		As at March 31,			
	2016	2016	2015	2014	2013	2012
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, Considered Good unless otherwise stated</b>						
Security Deposit						
- Dakshin Gujarat Vij. Co. Ltd.	10.58	10.58	10.58	10.93	10.47	10.47
- Gas Indian Oil (Mitali Gas)	0.03	0.03	0.03	0.03	0.03	0.03
- GEB Deposit		-	-	0.21	0.21	0.21
- GS1 India	0.02	0.02	0.02	0.02	0.02	0.02
- NSDL Database Management System	0.12	0.12	0.12	0.12	0.12	0.02
<b>TOTAL</b>	<b>10.75</b>	<b>10.75</b>	<b>10.75</b>	<b>11.31</b>	<b>10.85</b>	<b>10.75</b>

Note: None of the long term loans and advances as stated above are recoverable from Directors/ Promoters/ Promoter /group/Associates/ Relatives of Directors/ Group company.

ANNEXURE - I						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF INVENTORY</b>						
(Rs. In Lakhs)						
Particulars	As at December 31,		As at March 31,			
	2016	2016	2015	2014	2013	2012
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>Inventories</b>						
Raw Material	60.81	57.68	61.10	85.30	41.56	69.88
Work in Progress	8.18	9.19	9.23	10.43	9.99	30.29
Finished Goods	70.18	31.71	90.36	39.37	37.44	96.74
Stock-in Trade(in respect of goods acquired for trading)	1665.28	1,503.20	1,576.23	1,103.18	989.60	792.21
<b>Others</b>						
Goods in Transit	-	-	-	-	-	13.60
Promotion Expenses	99.09	25.22	19.39	11.92	15.45	11.90
Printing & Stationery Expenses	-	3.98	2.99	1.64	2.59	2.20
Packing Materials	-	2.26	2.97	0.95	0.99	0.55
<b>Total</b>	<b>1903.53</b>	<b>1,633.25</b>	<b>1,762.26</b>	<b>1,252.78</b>	<b>1,097.62</b>	<b>1,017.37</b>

**ANNEXURE - J**

<b>ZOTA HEALTH CARE LIMITED</b> <b>STANDALONE STATEMENT OF TRADE RECEIVABLES</b> <i>(Rs. In Lakhs)</i>						
<b>Particulars</b>	<b>As at Decem ber 31,</b>	<b>As at March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>						
Unsecured and considered Good	322.43	208.66	181.48	113.70	88.67	101.88
From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Subsidiary, Group Company	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>						
Unsecured and considered Good	1839.81	1,368.98	987.56	954.20	751.68	631.60
From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/ Group Company	-	-	-	-	-	-
Others						-
<b>TOTAL</b>	<b>2162.24</b>	<b>1,577.64</b>	<b>1,169.05</b>	<b>1,067.90</b>	<b>840.35</b>	<b>733.48</b>
Note: None of the Trade Receivables as stated above are due from Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Subsidiary company/ Group company.						

**ANNEXURE - K**

<b>ZOTA HEALTH CARE LIMITED</b> <b>STANDALONE STATEMENT OF CASH AND BANK BALANCES</b> <i>(Rs. In Lakhs)</i>						
<b>Particulars</b>	<b>As at Decembe r 31,</b>	<b>As at March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Cash and Cash Equivalents</b>						
Cash in Hand	0.71	1.95	0.43	0.51	0.64	1.46
Cash on Hand SEZ	0.51	0.40	0.19	0.19	0.53	0.17
<b>Balance with Schedule Bank</b>						
Axis Bank Ltd.	15.18	43.63	8.52	10.34	9.56	8.90
Axis Bank (CC A/c)	-	25.41	-	-	-	-
State Bank Of India	2.72	3.46	4.72	2.96	1.41	1.40

**ANNEXURE - K**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF CASH AND BANK BALANCES**
*(Rs. In Lakhs)*

<b>Particulars</b>	<b>As at Decembe r 31,</b>	<b>As at March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Axis Bank Ltd Current A/c-SEZ	1.67	0.77	2.53	0.29	0.55	0.27
<b>Total</b>	<b>20.78</b>	<b>75.62</b>	<b>16.38</b>	<b>14.29</b>	<b>12.68</b>	<b>12.20</b>

**ANNEXURE - L**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES**
*(Rs. In Lakhs)*

<b>Particulars</b>	<b>As at December 31,</b>	<b>As at March 31,</b>				
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Unsecured, Considered Good unless otherwise stated</b>						
IT Refund (A.Y. 2011-12)	-	-	-	-	-	5.16
Prepaid Insurance Premium	-	-	-	-	-	0.47
TDS Receivable	-	-	-	0.14	-	0.27
Advance Income Tax netted off against provision for taxation	16.26-	-	-	6.30	-	32.72
Advances to suppliers/Creditors	0.60	0.19	0.15	0.78	0.23	0.55
Advance to Employee	1.39	1.44	2.09	1.46	0.23	0.30
S.K. Enterprises	-	-	-	0.20	0.20	-
Advance Travelling Expenses	-	-	-	-	-	0.20
Income Tax Assessment(2008-2009)	-	-	-	-	-	6.00
<b>TOTAL</b>	<b>18.25</b>	<b>1.63</b>	<b>2.24</b>	<b>8.89</b>	<b>0.66</b>	<b>45.67</b>

Note: None of the Short term loans and advances as stated above are given to Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Subsidiary company/ Group company.

<b>ANNEXURE -M</b>						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF OTHER CURRENT ASSETS</b>						
(Rs. In Lakhs)						
Particulars	As at Decembe r 31,	As at				
	2016	2016	2015	2014	2013	2012
Interest Subsidy(District Industrial Centre)	1.22	1.22	1.22	7.35	4.86	21.10
Capital Subsidy Receivable	-	-	-	-	-	15.00
Prepaid insurance premium	0.03	1.06	1.14	0.93	1.30	-
Income tax Assessment(08-09)	-	-	-	-	6.00	-
Income tax refund(F.Y. 2013-14)	5.95	5.95	5.95	-	-	-
Income tax refund(A.Y. 2012-13)	-	-	32.99	32.99	32.99	-
Income tax refund(A.Y. 2011-12)	2.36	2.36	2.36	2.36	5.16	-
Insurance claim receivable	-	-	-	3.07	-	-
Prepaid office equipment	-	-	0.10	-	-	-
Dakshin gujarat vij co. ltd.	0.64	0.64	0.68	0.64	0.71	-
Interest receivable						
Product Registration	13.95	-	-	-	-	-
<b>TOTAL</b>	<b>24.16</b>	<b>11.24</b>	<b>44.45</b>	<b>47.33</b>	<b>51.01</b>	<b>36.10</b>

<b>ANNEXURE -N</b>						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF REVENUE FROM OPERATION</b>						
(Rs. In Lakhs)						
Particulars	As at Decembe r 31,	As at March 31,				
	2016	2016	2015	2014	2013	2012
<b>Revenue From Operation</b>						
Revenues from Sale of Product (Gross)						
Sale of Products	5612.83	6,448.14	5,646.34	5,003.62	4,389.81	3,807.69
Scrap Sales Income	-	-	-	-	-	0.21
	<b>5612.83</b>	<b>6,448.14</b>	<b>5,646.34</b>	<b>5,003.62</b>	<b>4,389.81</b>	<b>3,807.90</b>
<b>Other Operating Revenues</b>						
Income from Damaged Goods	-	-	-	-	-	0.07
Freight Income and Expense	6.01					
Income from Exchange rate Diff.	-	-	-	-	-	0.26
Vatav Kasar	0.60	25.18	-	7.54	1.00	6.07
<b>Total</b>	<b>5619.44</b>	<b>6,473.33</b>	<b>5,646.34</b>	<b>5,011.16</b>	<b>4,390.81</b>	<b>3,814.30</b>

ANNEXURE -O						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF OTHER INCOME</b>						
(Rs. In Lakhs)						
Particulars	As at Decemb er 30,	As at March 31				
	2016	2016	2015	2014	2013	2012
Other Income	6.50	7.69	1.44	10.23	3.45	2.72
Net Profit Before Tax as Restated	593.14	778.87	632.03	469.72	378.98	296.15
Percentage	<b>1.10</b>	<b>0.99</b>	<b>0.23</b>	<b>2.18</b>	<b>0.91</b>	<b>0.92</b>
<b>Source of Income</b>						
<b>Related and Recurring</b>						
Foreign Exchange Profit/Loss	5.18	0.81	-	3.29	0.18	-
Interest Income from customer	0.00	-	-	0.18	0.35	0.03
<b>Related and Non Recurring</b>						
Product Development Charges	0.78	-	-	5.20	-	-
Round Off	-	-	-	-	-	-
Insurance Claim Income	0.01	-	-	-	1.51	-
Commission Income	-	-	-	-	-	0.16
<b>Non Related and Recurring</b>						
Bank FD Interest	0.53	0.73	0.69	0.67	0.62	1.53
Interest from GEB Deposit	-	0.71	0.75	0.71	0.79	1.00
<b>Non Related and Non Recurring</b>						
Income tax refund interest	-	4.69	-	0.06	-	-
Profit on Sale of Fixed Assets	-	0.75	-	0.11	-	-
Total Other Income	<b>6.50</b>	<b>7.69</b>	<b>1.44</b>	<b>10.23</b>	<b>3.45</b>	<b>2.72</b>
<b>Note :</b>						
(1)The Classification of other income as recurring/non recurring, related, non related to business activity is based on the current operation and business activity of the Company as determined by the management.						

ANNEXURE -P						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF COST OF MATERIAL CONSUMED</b>						
(Rs. In Lakhs)						
Particulars	As at December 31, 2016	As at March 31,				
	2016	2016	2015	2014	2013	2012
<b>Cost Of Materials Consumed</b>						
Raw Materials						
Opening Stock	66.87	70.32	95.73	51.55	113.77	8.50

Add: Purchase Less Return	248.26	356.01	234.14	402.13	356.18	704.68
Less: Closing Stock	68.98	66.87	70.32	95.73	51.55	113.77
<b>Total</b>	<b>246.15</b>	<b>359.45</b>	<b>259.55</b>	<b>357.95</b>	<b>418.40</b>	<b>599.41</b>

**ANNEXURE - Q**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE**
*(Rs. In Lakhs)*

Particulars	As at December 2016	As at				
		2016	2015	2014	2013	2012
<u>Opening stock of finished Goods</u>						
Finished Stock of Goods	31.71	90.36	39.37	37.44	96.74	-
Stock-in-Trade	1534.66	1,601.58	1,117.68	1,008.63	806.86	539.84
	1566.37	1,691.94	1,157.05	1,046.07	903.60	539.84
Less :						
<u>Closing Stock of Finished Goods</u>						
Finished Stock of Goods	-	31.71	90.36	39.37	37.44	96.74
Stock-in-Trade	1834.55	1,534.66	1,601.58	1,117.68	1,008.63	806.86
	1834.55	1,566.37	1,691.94	1,157.05	1,046.07	903.60
<b>Changes in inventories of finished goods, WIP and Stock-in-Trade</b>	<b>(268.18)</b>	<b>125.57</b>	<b>(534.89)</b>	<b>(110.98)</b>	<b>(142.47)</b>	<b>(363.76)</b>

**ANNEXURE - R**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF EMPLOYEE BENEFITS EXPENSES**
*(Rs. In Lakhs)*

Particulars	As at December 31, 2016	As at March 31,				
		2016	2015	2014	2013	2012
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>Employee Benefit Expenses</b>						
Salary & Wages	189.53	215.09	183.12	151.81	136.53	114.21
Director's Remuneration	27.00	59.36	57.40	36.00	36.00	36.00
Staff Welfare Expenses	1.98	1.08	1.29	0.25	0.32	0.64
P.F. (Employer's Contribution)	11.54	12.99	11.06	8.84	6.70	5.14
ESIC (Employer's Contribution)	5.71	5.90	5.47	5.68	4.66	4.01
Gratuity	11.15	7.85	8.66	4.04	4.32	8.85
Travelling & Misc. Conveyance Expense	79.35	87.93	72.06	54.85	47.60	53.66
Travelling & Vehicle Conveyance Expense	29.30	31.33	28.77	19.11	22.24	-
Education Allowance	8.94	10.66	9.17	6.03	3.36	2.73
Fixed Working Allowance	-	-	-	-	-	16.13

HRA	71.70	81.36	68.48	51.89	36.39	29.15
Kit Allowance	13.68	9.17	5.61	4.39	3.66	2.67
Medical Allowance	3.13	-	-	-	-	-
Special Allowance	2.00	2.09	0.16	-	6.07	1.95
Uniform Allowance	2.47	3.88	2.29	1.74	1.92	1.50
Washing Allowance	1.33	2.93	1.48	4.20	0.81	0.48
Production Incentives	1.02	2.65	0.99	2.71	1.16	1.07
Leave Encashment Allowance	0.17	4.44	3.30	3.61	2.99	-
<b>Total Employee Benefit Expenses</b>	<b>460.00</b>	<b>538.72</b>	<b>459.31</b>	<b>355.14</b>	<b>314.73</b>	<b>278.19</b>

ANNEXURE - S						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF FINANCIAL EXPENSNE</b>						
(Rs. In Lakhs)						
Particulars	As at December 31,2016	As at March 31,				
		2016	2015	2014	2013	2012
<b>Finance Costs</b>						
Bank Charges	1.10	4.3	3.58	4.60	3.00	4.19
Bank Interest	23.75	38.15	30.81	36.23	55.84	34.89
Interest On TDS	0.05	0.10	0.01	0.05	0.08	0.04
Interest On Unsecured Loan	9.77	25.70	32.07	30.42	20.43	11.39
Other Interest	0.01	0.00	0.00	0.06	0.00	-
Interest on Income Tax	0.62					
<b>Total Finance Costs</b>	<b>35.29</b>	<b>68.34</b>	<b>66.48</b>	<b>71.37</b>	<b>79.36</b>	<b>50.51</b>

ANNEXURE - T						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF OTHER EXPENSNE</b>						
(Rs. In Lakhs)						
Particulars	As at Decem ber 31, 2016	As at March 31,				
		2016	2015	2014	2013	2012
<b>Other Expenses</b>						
<b>Manufacturing Expenses/Direct Expenses</b>						
Consumption Packing Material	22.54	30.54	26.37	17.50	15.98	17.76
Diesel Expense For Boiler	4.03	6.90	6.17	4.66	3.03	2.61
Factory Maintenance Expenses	6.81	10.86	8.39	7.03	8.53	13.28
Freight Expense	1.89	2.82	1.92	2.63	5.50	6.02
Hamali Expense	-	-	-	-	-	-
Lab Testing Expense	3.70	3.66	3.25	2.60	1.62	1.68
Packing Job Work Expenses	-	-	-	-	-	-
Power and Fuel Expense	12.86	21.72	16.17	17.66	16.06	18.82
Purchase Tax	41.94	41.30	43.52	37.24	22.84	19.46
Transportation Expense	112.45	129.19	124.84	93.10	65.86	48.24
Vat Expense	9.85	8.90	8.66	11.51	12.20	9.21
Water Charges	0.63	0.88	0.72	0.79	0.60	0.72

**ANNEXURE - T**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF OTHER EXPENSE**
*(Rs. In Lakhs)*

<b>Particulars</b>	<b>As at Decem ber 31, 2016</b>	<b>As at March 31,</b>				
		<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Total Manufacturing Expenses</b>	216.71	256.76	240.01	194.70	152.23	137.78
<b>Administrative Expenses</b>						
Audit Fees	-	3.30	3.28	2.12	2.12	2.25
Clearing and Forwarding Charges	8.92	3.78	1.04	1.81	0.69	3.62
Commission Expense	-	0.30	-	0.43	0.41	0.41
Computer Expenses	4.04	3.11	2.21	2.59	2.21	1.47
Conference Expense	-	-	-	21.10	2.36	-
Consultancy Charges	64.86	38.52	28.76	20.04	20.66	28.68
Conveyance Exps	-	-	-	-	-	0.18
Cylinder Expense	1.66	0.24	0.31	0.08	0.97	0.13
Damaged /Loss in Transit Goods	0.09	0.01	1.00	0.26	0.02	0.67
Diesel Expense	0.67	1.07	1.31	1.66	1.71	0.87
Electricity Light Bill Expense	5.09	6.28	5.63	4.28	4.65	3.65
Entry Tax	1.92	2.00	1.82	1.43	1.14	0.83
Export Promotion Council-Membership Fees	0.06	-	-	0.06	0.06	-
Foreign Exchange Loss/profit	-	-	0.72	-	0.00	-
Godown Rent	11.03					
House Keeping Expense	-	-	-	-	-	-
Insurance Expenses	4.88	4.39	5.28	3.46	2.23	1.96
Legal Expense	4.52	2.95	0.66	1.28	1.94	8.59
Lodging and Boarding Expense	7.98	2.53	2.72	2.82	2.93	-
Loss On Sale of Fixed Assets	-	-	-	-	0.12	-
Membership & subscription	0.22	0.16	-	-	-	1.07
Municipal Tax	-	4.17	4.13	5.31	2.35	1.28
Office Equipment Maintenance	1.14	1.48	1.18	0.86	0.79	0.41
Office Miscellaneous Expense	11.82	12.02	9.39	8.49	7.67	7.57
Office/Building Repairs and Maintenance	-	-	-	-	-	3.54
PF Fund administration Charges	1.16	1.47	1.45	1.18	0.88	0.67
Post and Courier Charges	20.68	31.32	27.56	26.49	20.22	20.23
Printing & Stationary	13.38	20.22	22.73	14.47	10.51	11.57
Product Approval Charges	0.20	3.11	1.11	0.26	0.06	2.31
Professional Tax	0.02	0.02	0.03	0.03	0.03	0.02
Rent Expense	-	-	-	-	-	1.64
Round Off	-	-	-	-	0.02	0.01
Safety Material Expense	0.02	-	-	-	-	0.72
Service Charges	1.83	3.53	3.07	4.06	0.72	1.46
Security service charges	0.80	-	-	-	-	-
Shop Expense	-	-	-	-	-	-
Shop Maintenance Expense	0.91	0.92	0.89	0.56	0.74	0.74
Telephone and Mobile Expense	2.68	3.56	3.37	3.20	2.77	2.76
Trademark Registration Expense	3.11	1.14	2.00	0.67	0.26	2.25

**ZOTA HEALTH CARE LIMITED****STANDALONE STATEMENT OF OTHER EXPENSE**

(Rs. In Lakhs)

Particulars	As at December 31, 2016	As at March 31,				
		2016	2015	2014	2013	2012
Travelling Expense	15.61	12.77	12.57	9.87	4.49	4.51
Vatav Kasar & Rate Difference Expense	7.11	-	4.10	-	-	-
Vehicle Maintenance Expense	-	-	0.14	0.32	0.30	0.24
Website Renewal Charges	3.44	2.80	2.91	0.25	0.21	0.19
Written Off Expense	-	-	-	-	-	1.16
<b>Total Administrative Expenses</b>	<b>204.66</b>	<b>167.15</b>	<b>151.35</b>	<b>139.44</b>	<b>96.25</b>	<b>117.66</b>
<b>Selling and Distribution Expenses</b>						
Freight and Transportation (other)	27.38	32.66	36.37	40.19	40.20	29.78
Advertisement Expense	75.53	42.94	21.59	32.49	27.68	18.92
Cash and Trade Discount	64.93	40.53	44.48	36.55	32.01	28.81
Commission on sale	54.01	85.13	74.63	79.43	60.13	46.47
Promotional Expense	134.06	108.22	57.04	35.52	23.57	23.42
Turnover Cash Discount	2.19	18.08	27.22	20.35	15.71	12.49
Rate Difference	-	-	-	2.07	1.10	-
Sales Incentives	5.67	4.01	3.82	-	-	-
<b>Total Selling and Distribution Expenses</b>	<b>363.77</b>	<b>331.57</b>	<b>265.16</b>	<b>246.61</b>	<b>200.39</b>	<b>159.90</b>
<b>Disallowable Expense</b>						
Charity and Donation expense	5.05	2.21	2.49	3.51	2.72	10.61
GST Penalty	-	-	-	-	-	0.00
Income Tax Expense	-	-	-	-	-	0.01
<b>Total Of Disallowable Expense</b>	<b>5.05</b>	<b>2.21</b>	<b>2.49</b>	<b>3.51</b>	<b>2.72</b>	<b>10.62</b>
<b>Total Other Expenses</b>	<b>790.18</b>	<b>757.69</b>	<b>659.01</b>	<b>584.27</b>	<b>451.59</b>	<b>425.96</b>

## ANNEXURE - U

**ZOTA HEALTH CARE LIMITED****STANDALONE STATEMENT OF RELATED PARTY TRANSACTION**

a)	Names of the related parties with whom transactions were carried out during the years and description of relationship:	
Sr. No.	Name	Relation
1	Himanshu M Zota	Directors/key management personnel
2	Kamlesh R Zota	
3	Ketan C zota	
4	Manukant C Zota	
5	Viral A. Mandiwala (CFO)	
6	Anila K Zota	Relative of Directors/key management personnel
7	Ashokkumar C Zota	
8	Ashokkumar C Zota HUF	

ANNEXURE – U		
<b>ZOTA HEALTH CARE LIMITED</b>		
<b>STANDALONE STATEMENT OF RELATED PARTY TRANSACTION</b>		
<b>a)</b>	<b>Names of the related parties with whom transactions were carried out during the years and description of relationship:</b>	
Sr. No.	Name	Relation
9	Bhanuben R. Zota	Companies/Entity Owned or Significantly influenced by Director/key management personnel Relatives of Directors/key management personnel /Share holder
10	Chandulal N zota HUF	
11	Divyesh A Zota	
12	Dixit A Zota	
13	Himanshu M Zota HUF	
14	Induben M Zota	
15	Jatin A zota	
16	Kamlesh R Zota HUF	
17	Ketankumar Chandulal Zota HUF	
18	Madhuben A Zota	
19	Manisha K Zota	
20	Moxesh Ketankumar Zota	
21	Manukant C. Zota HUF	
22	Mukttilal C Zota HUF	
23	Nimisha Niral Zota	
24	Niral M . Zota	
25	Niral M Zota HUF	
26	Rajnikant C zota HUF	
27	Varsha H Zota	
28	Raxaben Jatin Zota	
29	Jayantilal M. Gandhi	
30	Krinal VipulKumar Ankhad	
31	Vinodchandra C Siriya	
32	Gunjan Sureshchandra Mehta	
33	Halchand Manilal Mehta	
34	Shrikant V. Siriya	
35	Mukttilal K. Ankhad	
36	Praful Ratilal Vora	
37	Rasila Muktilal Ankhad	
38	Ratilal Zumachand Vora	
39	Vipulkumar M. Ankhad	

(Rs. In Lakhs)						
1. Transactions with Directors / key management personnel						
	Nature of Transactions	For the period ended December 31, 2016	For the year ended			
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Transaction During the Year						

(Rs. In Lakhs)

**1. Transactions with Directors / key management personnel**

	Nature of Transactions	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	<b>Remuneration</b>						
	Himanshu M Zota	6.75	9.00	9.00	9.00	9.00	9.00
	Kamlesh R Zota	6.75	9.00	9.00	9.00	9.00	9.00
	Ketankumar Chandulal Zota	4.50	9.00	9.00	9.00	9.00	9.00
	Manukant C Zota	6.75	9.00	9.00	9.00	9.00	9.00
	<b>Commission on sale</b>						
	Himanshu M Zota	-	5.84	5.35	4.50	1.90	3.20
	Kamlesh R Zota	-	5.84	5.35	4.50	1.90	3.20
	Ketan C zota	-	5.84	5.35	4.50	1.90	3.20
	Manukant C Zota	-	5.84	5.35	4.50	1.90	3.20
	<b>Shares Allotted (Amount in numbers)</b>						
	Himanshu M Zota	-	-	3.75		3.13	5.21
	Kamlesh R Zota	-	-	2.30		1.92	3.19
	Ketan C zota	-	-	3.53		2.94	4.90
	Manukant C Zota	-	-	4.82		4.02	6.70
	<b>Loan Transactions :</b>						
	<b>Himanshu M Zota</b>						
	<b>Unsecured Loan Taken</b>						
	Opening Balance	30.04	32.82	32.71	15.22	-	-
	Amount Received/credited	1.80	3.28	37.58	21.76	26.36	-
	Amount repaid/adjusted	0.18	6.07	37.46	4.28	11.14	-
	Outstanding Amount	31.66	30.04	32.82	32.71	15.22	-
	<b>Kamlesh R Zota</b>						
	<b>Unsecured Loan Taken</b>						
	Opening Balance	50.77	45.82	23.17	9.99	-	-
	Amount Received/credited	3.05	5.50	23.06	13.36	10.05	-
	Amount repaid/adjusted	0.30	0.55	0.41	0.19	0.05	-

(Rs. In Lakhs)

**1. Transactions with Directors / key management personnel**

	Nature of Transactions	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	Outstanding Amount	53.52	50.77	45.82	23.17	9.99	-

	<b>Ketan C Zota</b>						
	<b>Unsecured Loan Taken</b>						
	Opening Balance	-	-	20.95	14.84	-	-
	Amount Received/credited	-	-	18.18	18.79	17.63	
	Amount repaid/adjusted	-	-	39.12	12.68	2.79	
	Outstanding Amount	-	-	-	20.95	14.84	-
	<b>Manukant C Zota</b>						
	<b>Unsecured Loan Taken</b>						
	Opening Balance	8.79	9.93	19.99	11.89	-	-
	Amount Received/credited	0.53	0.96	25.03	25.77	20.99	-
	Amount repaid/adjusted	0.05	2.10	35.09	17.68	9.10	-
	Outstanding Amount	9.27	8.79	9.93	19.99	11.89	-

**2. Transaction with Relative of Directors / KMP**

	<b>Commission on sale</b>						
	Jatin A Zota	3.50	6.49	5.48	4.50	3.80	3.40
	Viren M Zota	3.50	6.49	5.48	4.50	3.80	3.40
	Niral M. Zota	3.50	6.49	5.48	4.50	3.80	3.40
	<b>Salary</b>						
	Jatin A Zota	4.05	5.40	5.40	4.80	3.85	3.60
	Viren M Zota	4.05	5.40	5.40	4.80	3.85	3.60
	Ashokkumar C Zota	4.50	6.00	5.40	4.80	3.85	3.60
	Viral A. Mandiwala	3.33	3.96	3.87			
	Niral M. Zota	4.05	5.40	4.80	4.20	3.30	3.00

	<b>Loan Transactions : Unsecured Loan Taken</b>						
							(Rs. In Lakhs)
	<b>1 Name : Anila K Zota</b>						

Rate of Interest- 12%

	Particulars	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	Opening Balance	-	-	0.64	9.36	1.51	0.89
	Amount Received/credited	-	-	2.54	8.54	7.85	0.62
	Amount repaid/adjusted	-	-	3.18	17.25	-	-
	Outstanding Amount	-	-	-	0.64	9.36	1.51
	Shares Allotted (Amount in numbers)	-	-	1.70	-	1.41	2.36
							(Rs. In Lakhs)
	<b>2 Name : Ashokkumar C. Zota</b>						
	Rate of Interest- 12%						
	Particulars	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	Opening Balance	-	-	0.52	0.47	0.43	0.38
	Amount Received/credited	-	-	0.02	0.06	0.05	0.05
	Amount repaid/adjusted	-	-	0.54	0.01	0.01	-
	Outstanding Amount	-	-	-	0.52	0.47	0.43
	Shares Allotted (Amount in numbers)	-	-	0.01	-	0.01	0.01

							(Rs. In Lakhs)
	<b>3 Name : Ashokkumar C. Zota[HUF]</b>						
	Rate of Interest- 12%						
	Particulars	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	Opening Balance	-	-	12.60	11.25	9.78	8.37
	Amount Received/credited	-	-	1.15	1.35	1.48	1.41
	Amount repaid/adjusted	-	-	13.76	-	-	-
	Outstanding Amount	-	-	-	12.60	11.25	9.78
	Shares Allotted (Amount in numbers)	-	-	-	-	-	-

							(Rs. In Lakhs)
	<b>4 Name : Bhanuben R. Zota</b>						

	Rate of Interest- 12%						
	<b>Particulars</b>	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	Opening Balance	-	-	-	-	2.35	2.10
	Amount Received/credited	-	-	-	-	-	0.25
	Amount repaid/adjusted	-	-	-	-	2.35	-
	Outstanding Amount	-	-	-	-	-	2.35
	<b>Shares Allotted (Amount in numbers)</b>	-	-	-	-	-	-
	<i>(Rs. In Lakhs)</i>						
	<b>5 Name : Chandulal N. Zota[HUF]</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	Opening Balance	-	-	9.99	8.92	7.77	6.17
	Amount Received/credited	-	-	1.20	1.07	1.15	1.60
	Amount repaid/adjusted	-	-	11.18	-	-	-
	Outstanding Amount	-	-	-	9.99	8.92	7.77
	<b>Shares Allotted (Amount in numbers)</b>	-	-	-	-	-	-

	<i>(Rs. In Lakhs)</i>						
	<b>6 Name : Divyesh A. Zota</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	For the period ended December 31, 2016	For the year ended				
			31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
	Opening Balance	-	-	3.46	3.12	2.82	2.54
	Amount Received/credited	-	-	0.09	0.37	0.34	0.31
	Amount repaid/adjusted	-	-	3.55	0.04	0.03	0.03
	Outstanding Amount	-	-	-	3.46	3.12	2.82
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.00	-	0.00	0.01

	<i>(Rs. In Lakhs)</i>						
	<b>7 Name : Dixit A. Zota</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the</b>	<b>For the year ended</b>				

	(Rs. In Lakhs)					
9 Name : Induben M. Zota						
Rate of Interest- 12%						
Particulars	For the period ended December 31, 2016	For the year ended			31-Mar-16	31-Mar-15
		31-Mar-14	31-Mar-13	31-Mar-12		
Opening Balance	60.32	34.45	7.65	6.83	5.53	4.62
Amount Received/credited	-	25.87	26.80	0.82	1.29	0.91
Amount repaid/adjusted	-	-	-	-	-	-
Outstanding Amount	60.32	60.32	34.45	7.65	6.83	5.53
Shares Allotted (Amount in numbers)	-	-	0.00	-	0.01	-
(Rs. In Lakhs)						
10 Name : Jatin A. Zota						
Rate of Interest- 12%						
Particulars	For the	For the year ended			31-Mar-16	31-Mar-15
		31-Mar-14	31-Mar-13	31-Mar-12		

		<b>period ended December 31, 2016</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	-	-	6.19	5.59
	Amount Received/credited	-	-	-	-	0.31	0.68
	Amount repaid/adjusted	-	-	-	-	6.50	0.08
	Outstanding Amount	-	-	-	-	-	6.19
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.01	-	0.00	0.02
	<i>(Rs. In Lakhs)</i>						
	<b>11 Name : Kamlesh R. Zota[HUF]</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	10.44	9.32	8.32	7.43	6.44	5.07
	Amount Received/credited	-	1.12	1.00	0.89	0.99	1.37
	Amount repaid/adjusted	-	-	-	-	-	-
	Outstanding Amount	10.44	10.44	9.32	8.32	7.43	6.44
	<b>Shares Allotted (Amount in numbers)</b>	-	-	-	-	-	-
	<i>(Rs. In Lakhs)</i>						
	<b>12 Name : Ketan C. Zota[HUF]</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	11.26	21.33	19.05	9.46	1.54	0.92
	Amount Received/credited	0.68	1.26	2.29	9.59	7.92	0.62
	Amount repaid/adjusted	0.07	11.33	-	-	-	-
	Outstanding Amount	11.26	11.26	21.33	19.05	9.46	1.54
	<b>Shares Allotted (Amount in numbers)</b>	-		1.60		1.33	2.22
	<i>(Rs. In Lakhs)</i>						
	<b>13 Name : Madhuben A. Zota</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the</b>	<b>For the year ended</b>				

		<b>period ended December 31, 2016</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	14.67	13.35	11.55	10.31
	Amount Received/credited	-	-	0.72	1.58	1.80	1.24
	Amount repaid/adjusted	-	-	15.40	0.25	-	-
	Outstanding Amount	-	-	-	14.67	13.35	11.55
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.00	-	0.00	0.00
							(Rs. In Lakhs)
	<b>14 Name : Manisha K. Zota</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	37.82	34.14	31.20	19.22	9.47	7.79
	Amount Received/credited	2.27	4.10	3.70	12.58	9.75	1.68
	Amount repaid/adjusted	0.23	0.41	0.77	0.60	-	-
	Outstanding Amount	39.87	37.82	34.14	31.20	19.22	9.47
	<b>Shares Allotted (Amount in numbers)</b>	-	-	1.97	-	1.64	2.73
							(Rs. In Lakhs)
	<b>15 Name : Manukant C. Zota[HUF]</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	0.00	0.42	9.13	5.09	3.24	2.22
	Amount Received/credited	-	-	5.42	7.16	1.84	1.03
	Amount repaid/adjusted	-	0.42	14.13	3.12	-	-
	Outstanding Amount	0.00	0.00	0.42	9.13	5.09	3.24
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.25	-	0.21	0.34
							(Rs. In Lakhs)
	<b>16 Name : Moxesh Ketan Zota</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the</b>	<b>For the year ended</b>				



		<b>period ended December 31, 2016</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	-	-	-	0.57
	Amount Received/credited	-	-	-	-	-	0.07
	Amount repaid/adjusted	-	-	-	-	-	0.64
	Outstanding Amount	-	-	-	-	-	-
	<b>Shares Allotted (Amount in numbers)</b>	-	-	-	-	-	-
							<i>(Rs. In Lakhs)</i>
	<b>20 Name : Niral M. Zota[HUF]</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	6.21	5.54	4.61	3.58
	Amount Received/credited	-	-	0.74	0.67	0.93	1.03
	Amount repaid/adjusted	-	-	6.95	-	-	-
	Outstanding Amount	-	-	-	6.21	5.54	4.61
	<b>Shares Allotted (Amount in numbers)</b>	-	-	-	-	-	-
							<i>(Rs. In Lakhs)</i>
	<b>21 Name : Rajnikant C. Zota[HUF]</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	12.25	10.94	9.77	8.14
	Amount Received/credited	-	-	1.47	1.31	1.17	1.63
	Amount repaid/adjusted	-	-	13.72	-	-	-
	Outstanding Amount	-	-	-	12.25	10.94	9.77
	<b>Shares Allotted (Amount in numbers)</b>	-	-	-	-	-	-
							<i>(Rs. In Lakhs)</i>
	<b>22 Name : Raxaben Jatin Zota</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended</b>	<b>For the year ended</b>				
			<b>31-</b>	<b>31-Mar-</b>	<b>31-</b>	<b>31-Mar-</b>	<b>31-Mar-</b>

		<b>December 31, 2016</b>	<b>Mar-16</b>	<b>15</b>	<b>Mar- 14</b>	<b>13</b>	<b>12</b>
	Opening Balance	-	-	7.77	6.94	-	-
	Amount Received/credited	-	-	0.25	0.83	6.94	-
	Amount repaid/adjusted	-	-	8.02	-	-	-
	Outstanding Amount	-	-	-	7.77	6.94	-
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.00	-	0.00	0.00
	<i>(Rs. In Lakhs)</i>						
	<b>23 Name : Varsha H. Zota</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31- Mar-16</b>	<b>31-Mar- 15</b>	<b>31- Mar- 14</b>	<b>31-Mar- 13</b>	<b>31-Mar- 12</b>
	Opening Balance	8.77	9.62	18.74	10.36	1.88	1.14
	Amount Received/credited	-	1.15	1.87	8.38	8.48	0.74
	Amount repaid/adjusted	-	2.00	11.00	-	-	-
	Outstanding Amount	8.77	8.77	9.62	18.74	10.36	1.88
	<b>Shares Allotted (Amount in numbers)</b>	-	-	1.37	-	1.14	1.90
	<b>3. Unsecured Loans from Others (Share Holders) are chargeable to interest at 12% p.a. that are repayable on one months notice period.</b>						
	<i>(Rs. In Lakhs)</i>						
	<b>1 Name : Vinodchandra C. Siriya</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31- Mar-16</b>	<b>31-Mar- 15</b>	<b>31- Mar- 14</b>	<b>31-Mar- 13</b>	<b>31-Mar- 12</b>
	Opening Balance	-	-	1.00	1.12	1.00	1.00
	Amount Received/credited	-	-	0.12	0.12	0.12	0.12
	Amount repaid/adjusted	-	-	1.12	0.24	-	0.12
	Outstanding Amount	-	-	-	1.00	1.12	1.00
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.00	0.01	0.00	0.00
	<i>(Rs. In Lakhs)</i>						
	<b>2 Name : Gunjan Sureshchandra Mehta</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the</b>	<b>For the year ended</b>				

		<b>period ended December 31, 2016</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	-	-	-	0.06
	Amount Received/credited	-	-	-	-	-	-
	Amount repaid/adjusted	-	-	-	-	-	0.06
	Outstanding Amount	-	-	-	-	-	0.00
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.00	-	0.00	0.01
	<i>(Rs. In Lakhs)</i>						
	<b>3 Name : Halchand Manilal Mehta</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	-	-	-	0.18
	Amount Received/credited	-	-	-	-	-	-
	Amount repaid/adjusted	-	-	-	-	-	0.18
	Outstanding Amount	-	-	-	-	-	-
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.00	-	0.00	0.00
	<i>(Rs. In Lakhs)</i>						
	<b>4 Name : Shrikant V. Siriya</b>						
	Rate of Interest- 12%						
	<b>Particulars</b>	<b>For the period ended December 31, 2016</b>	<b>For the year ended</b>				
			<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
	Opening Balance	-	-	-	-	-	1.58
	Amount Received/credited	-	-	-	-	-	0.18
	Amount repaid/adjusted	-	-	-	-	-	1.76
	Outstanding Amount	-	-	-	-	-	-
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.00	-	0.00	0.00
	<i>(Rs. In Lakhs)</i>						
	<b>5 Name : Muktilal K. Ankhad</b>						
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.01	-	0.01	0.01
	<i>(Rs. In Lakhs)</i>						
	<b>6 Name : Praful ratilal Vora</b>						
	<b>Shares Allotted (Amount in numbers)</b>	-	-	0.02	0.02	0.00	0.01

								(Rs. In Lakhs)
	<b>7 Name : Rasila Muktilal Ankhad</b>							
	<b>Shares</b>	<b>Allotted</b>	-	-	0.02	-	0.01	0.01
	(Amount in numbers)							(Rs. In Lakhs)
	<b>8 Name : Ratilal Zumachand Vora</b>							
	<b>Shares</b>	<b>Allotted</b>	-	-	0.00	-	0.01	0.01
	(Amount in numbers)							(Rs. In Lakhs)
	<b>9 Name : Vipulkumar M. Ankhad</b>							
	<b>Shares</b>	<b>Allotted</b>	-	-	0.01	-	0.01	0.02
	(Amount in numbers)							

<b>ANNEXURE - V</b>		
<b>ZOTA HEALTH CARE LIMITED</b>		
<b>STANDALONE CAPITALISATION STATEMENT</b>		
		(Rs. In Lakhs)
<b>Particulars</b>	<b>Pre-Issue</b>	<b>Post-Issue*</b>
	<b>As on December 31, 2016</b>	
Debt		
Short Term Debt	413.84	[●]
Long Term Debt	228.09	[●]
<b>Total Debt</b>	<b>641.93</b>	[●]
Shareholders' Fund (Equity)		
Share Capital	1,436.34	[●]
Reserves & Surplus	1,113.50.	[●]
Less: Miscellaneous Expenses not w/off	-	[●]
<b>Total Shareholders' Fund (Equity)</b>	<b>2,549.83</b>	[●]
<b>Long Term Debt/Equity</b>	<b>0.09</b>	[●]
<b>Total Debt/Equity</b>	<b>0.25</b>	[●]
<b>Notes:</b>		
1. Short term Debts represent which are expected to be paid/ payable within 12 months and excludes instalment of term loans repayable within 12 months.		
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities.		
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.12.2016.		

<b>ANNEXURE - W</b>						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE MANDATORY ACCOUNTING RATIOS</b>						
<b>Particulars</b>	<b>As at December 31, 2016</b>	<b>As at March 31,</b>				
		<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
A Face Value per equity Share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
B Earnings/ (losses) Per Share (in Rs.)						

	Restated Basic Earning/(Losses) per Share[E/F(b)]	2.74	3.61	2.97	2.18	1.78	1.38
C	(ii) Return on Net Worth (in %) [E/H]	15.45%	24.05%	23.54%	20.05%	18.42%	15.61%
D	(iii) Net Assets Value per Share (in Rs.) [H/G]	17.75	15.01	12.60	13.04	11.59	12.74
E	(a) Net profit available for appropriation (as restated)	393.97	518.57	426.03	312.98	255.45	198.34
F	<b>Weighted average numbers of equity shares for calculating EPS.</b>						
	(a) Weighted average numbers of equity shares for calculating Basic EPS.	143.63	143.63	143.63	119.69	119.69	99.75
	Add: Impact of bonus shares before March 31, 2016	-	-	-	23.94	23.94	43.89
	Total (b)	143.63	143.63	143.63	143.63	143.63	143.63
G	No. of equity shares outstanding at the end of the year/ period.	143.63	143.63	143.63	119.69	119.69	99.75
H	Net Worth as at the end of the period/year	2549.83	2,155.8 7	1,810.1 7	1,560.8 7	1,387.0 0	1,270.66

Note 1. The Restated Basic and Diluted EPS for the period is after considering Bonus issue of shares made in the year 2014-15,2012-13,2011-12.

	<b>Notes:</b>	
	1.The above ratios are calculated as under:	
	a) Basic and Diluted Earning per Share =	<u>Net Profit available for appropriation (as restated)</u> <u>Weighted average number of equity shares outstanding during the year</u>
	b) Return on Net Worth (%) =	<u>Net Profit available for appropriation (as restated)</u> <u>Net worth as at the year end</u>
	c) Net Asset Value Per Equity Share =	<u>Net Worth as at the end of the period/year</u> <u>Number of equity shares outstanding at the end of the Year</u>
	2. Net Worth means the aggregate of the paid up share capital, share premium account, 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;	
	3. Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.	
	4. The figures disclosed above are based on the restated financial information of the Company.	

#### ANNEXURE - X

##### **ZOTA HEALTH CARE LIMITED**

##### **STANDALONE STATEMENT OF TAX SHELTER**

*(Rs. In Lakhs)*

Particulars	As at December 31,2016	For the Year / period ended March 31,				
		2016	2015	2014	2013	2012
<b>Restated Profit before tax</b>	539.14	778.87	632.03	469.72	378.98	296.15
MAT Rate	18.50%	18.50%	18.50%	18.50%	18.50%	18.50%

**ANNEXURE - X**

<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE STATEMENT OF TAX SHELTER</b> <span style="float: right;">(Rs. In Lakhs)</span>						
<b>Particulars</b>	<b>As at December 31,2016</b>	<b>For the Year / period ended March 31,</b>				
		<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Normal Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Normal Tax on above	117.94	233.66	189.61	140.92	113.69	88.84
<b>Income from Business or Profession</b>						
<i>To be treated separately</i>						
Bank FD Interest	-	(0.73)	(0.69)	(0.67)	(0.62)	(1.53)
Interest Income For.GEB Deposite	-	-	(0.75)	(0.71)	(0.79)	(1.00)
IT refund interest	-	(4.69)		(0.06)		
<i>Permanent Differences:</i>						
Donation	5.05	2.21	2.49	3.51	2.72	10.61
GST Penalty	-	-	-	-	-	0.00
Income Tax Expenses	-	-	-	-	-	0.01
Profit on sale of asset	-	(0.75)	-	(0.11)	-	-
Loss on sale of assets	-	-	-	-	0.12	-
<i>Temporary Difference:</i>						
Sec 40a(ia) (Net off claimed of earlier years)	-	-	-	-	-	-
Difference between book depreciation & tax depreciation	11.20	25.61	40.65	4.50	0.74	(111.91)
Expenses Disallowed u/s. 43B of the Income Tax Act	4.60					
Gratuity	10.75	7.85	8.66	4.04	4.32	8.85
Service Tax Expenses	-	-	-	-	-	-
Preliminary & Pre-Operative Exp	-	(6.45)	(6.45)	(6.45)	(6.45)	(6.45)
Employees Professional tax	0.71	0.86	0.49	0.27	-	-
<b>Total</b>	<b>625.44</b>	<b>802.77</b>	<b>676.44</b>	<b>474.03</b>	<b>379.02</b>	<b>194.73</b>
<b>Income From Other Sources</b>						
Bank FD Interest	-	-	0.69	0.67	0.62	1.53
Interest Income For.GEB Deposit	-	0.73	0.75	0.71	0.79	1.00
IT refund interest	-	4.69		0.06		
<b>Total</b>	<b>-</b>	<b>5.42</b>	<b>1.44</b>	<b>1.44</b>	<b>1.41</b>	<b>2.53</b>
<i>Deduction Chapter VIA</i>	-	(1.08)	(1.10)	(1.76)	(1.26)	(5.31)
<i>Other Adjustments:</i>						
Brought Forward Losses adjusted	-	-	-	-	-	-
<b>Total Income chargeable to tax</b>	<b>625.44</b>	<b>807.11</b>	<b>676.78</b>	<b>473.71</b>	<b>379.18</b>	<b>191.96</b>
<b>Total Tax Payable:</b>						
Tax Payable for the current year under normal tax - (a)	187.63	242.13	203.03	142.11	113.75	57.59
Tax Payable for the current year under MAT - (b)	109.73	144.09	116.93	86.90	70.11	54.79
Maximum of (a) and (b)	187.63	242.13	203.03	142.11	113.75	57.59
Add: Surcharge	13.13	16.95	10.15	7.11	5.69	2.88
Add : Edu Cess and Higher Edu	6.02	7.77	6.40	4.48	3.58	1.81

**ANNEXURE - X**
**ZOTA HEALTH CARE LIMITED**
**STANDALONE STATEMENT OF TAX SHELTER**
*(Rs. In Lakhs)*

Particulars	As at December 31,2016	For the Year / period ended March 31,				
		2016	2015	2014	2013	2012
Cess						
<b>Total Tax Payable</b>	<b>206.79</b>	<b>266.85</b>	<b>219.58</b>	<b>153.70</b>	<b>123.02</b>	<b>62.28</b>

Note :

The Figures calculated above are on actual basis.

In this computation of income gratuity have been disallowed while in the original computation of income same was not existed but there will be no effect on Tax as same is also given effect in restated profit & loss account.

ANNEXURE - Y						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE NON CURRENT INVESTMENT SCHEDULE</b>						
		(Rs. In Lakhs)				
Particulars	As at December 31, 2016	As at March 31,				
		2016	2015	2014	2013	2012
<b>Investments in Equity Instruments</b>						
Prime Co Op Bank (Non-Trade Investment)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Other Investment</b>						
Axis Bank Fixed Deposit	9.35	8.88	8.22	7.60	7.00	6.44
<b>TOTAL</b>	<b>9.35</b>	<b>8.88</b>	<b>8.22</b>	<b>7.60</b>	<b>7.00</b>	<b>6.44</b>

ANNEXURE - Z						
<b>ZOTA HEALTH CARE LIMITED</b>						
<b>STANDALONE TURNOVER BIFERICATION SCHEDULE</b>						
		(Rs. In Lakhs)				
Particulars	As at December 31, 2016	As at March 31,				
		2016	2015	2014	2013	2012
(a) Turnover of the product manufactured by issuer	361.08	602.55	295.50	450.06	564.95	606.74
(b) Turnover of the product traded in by issuer	5251.75	5,845.59	5,350.84	4,553.56	3,824.85	3,200.94
-Normally dealt in by issuer	5251.75	5,845.59	5,350.84	4,553.56	3,824.85	3,200.94
-Not normally dealt in by issuer	-	-	-	-	-	-
<b>Total (a+b)</b>	<b>5612.83</b>	<b>6,448.14</b>	<b>5,646.34</b>	<b>5,003.62</b>	<b>4,389.81</b>	<b>3,807.69</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period ended December 31, 2016 and for the financial years ended March 31, 2016, 2015 and 2014 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" on page 214 of this Red Herring Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" beginning on pages 20 and 19 respectively, of this Red Herring Prospectus.

Our Company was incorporated on July 12, 2000 and has completed more than sixteen years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the period December 31, 2016 and for the financial years ended March 31, 2016, 2015 and 2014.

### OVERVIEW

Our Company Zota Health Care Limited, was originally incorporated on July 12, 2000 vide Certificate of Incorporation issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. We are a pharmaceutical company, engaged in developing, manufacturing and marketing pharmaceutical products. We mainly market generic, patented and OTC pharmaceutical products, which we commercialize through the network of our distributor channel for our domestic sales.

Our Company started operations in 2000 by marketing pharmaceutical products on a local level. Over the years we have built a steady position for ourselves in the domestic market which can be witnessed by the growth in our revenue from domestic operations from Rs. 3,200.94 lakhs in 2012 to Rs. 5,845.59 lakhs in 2016. The backbone of our revenue from operations is our distribution network, team of medical representatives and our marketing team. At present, we have around a distribution network of 1,000 distributors and a team of 120 medical representatives. Our Company has more than 20 marketing divisions and vast product portfolio of around 2,800 products. In addition to being vast, our product portfolio is also diversified in nature, with our offerings ranging from allopathic medicine to ayurvedic to healthcare products. We offer varieties of tablets, capsules, ointments, oral liquids, injectable to meet customer needs. Our Company has also ensured to have its presence spread throughout the country and has achieved the same by supplying in all the 4 regions of the country.

We have applied for patent of 19 unique formulations, wherein we have received approvals for registration of 6 formulations.

We have also taken initiatives for digital marketing strategy and have already launched a mobile application for our division “Nutravedic.com” and are in process of launching another application to integrate the markets and reach customers at large. Further we have purchased the marketing rights of Astra-Idl Ltd. for a period of three years to strengthen our market segment of generic medicines.

Establishing a position for ourselves in the domestic market, we took the next leap in 2011 by setting up our own manufacturing unit at Special Economic Zone, Surat to foray in international markets. Our Company has been certified as ISO-9001:2008 and our facility is well equipped with the necessary machineries and resources. For the year ended March 31, 2016, our export operations contributed 9.34% of our total revenue from operations. We have applied for registration in 14 countries for more than 150 products, out of which we have successfully received approvals from 7 countries for more than 30 products and are in process of obtaining remaining approvals, which will give boost to our manufacturing operations and increase our export share. Currently we are manufacturing capsules and tablets at our manufacturing facility. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which in turn enhance our products range.

Our Company is the brainchild of our promoters ie. Ketankumar Zota, Manukant Zota, Himanshu Zota and Kamlesh Zota who have been the pillars of our growth. Driven by passion for building an integrated pharmaceutical company, backed by their more than decade of experience, our Promoters have built the formation and values system of our Company. With their enriching experience and progressive thinking, we aim to continue grow in the pharmaceutical industry.

**Few of our Awards and Accolades are as follows:**

- Nominated for Emerging India Awards 2013 & 2015 in its respective category conducted by CNBC, TV18, ICICI Bank & Crisil
- Selected for European Patent Office Survey from amongst 800 pharmaceutical aspirants
- Winner of Business Excellence Awards 2015(Company of the Year-mid segment) by CIMS at Indian Pharma Expo
- Winner of Business Excellence Awards 2016(Company of the Year-mid segment) by CIMS at Indian Pharma Expo

**Our Registered Office:**

The registered office is situated at Zota House, 2/896 Hira Modi Street, Sagrampura, Surat-395002. Our office is centrally located in Surat and admeasures 5500 square feet area.

**Our Warehousing Unit:**

Our warehousing unit is located at the Pandesara, Udhna Navsari Road, Surat and admeasures 45000 sq. ft. area.

**Our Manufacturing Unit:**

Started in the year 2011, our manufacturing SEZ unit located at Plot No. 169, Surat Special Economic Zone, Near Sachin Railway Station, Surat-394230 admeasures 30,000 sq. ft

**SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 20 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Supply and availability of raw material/traded goods
- Competition and price cutting from existing and new entrants
- Performance of our distribution channel
- Brand image
- Rate of interest policies
- Economic and demographic conditions
- Changes in laws and regulations that apply to Pharmaceutical Industry in domestic and overseas market.

## DISCUSSION ON RESULT OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the audited and restated financial results of our Company for the period ended December 31, 2016 and for the financial years ended March 31, 2016, 2015 and 2014.

### OVERVIEW OF REVENUE & EXPENDITURE

#### Revenues

##### *Income from operations:*

Our principal component of revenue from operations is from sale of marketed and manufactured pharmaceutical & health care products.

##### *Other Income:*

Our other income mainly includes foreign exchange gains, interest on Bank F.D., interest on GEB Deposit, etc.

*Amount (Rs. In Lakhs)*

Particulars	For the period ended December 31, 2016	Till March 31,		
		2016	2015	2014
<b>Income</b>				
Revenue from Operations	5619.44	6,473.33	5,646.34	5,011.16
As a % of Total Revenue	99.88	99.88%	99.97%	99.80%
Other Income	6.50	7.69	1.44	10.23
As a % of Total Revenue	0.12	0.12%	0.03%	0.20%
<b>Total Revenue</b>	<b>5,625.94</b>	<b>6,481.01</b>	<b>5,647.78</b>	<b>5,021.39</b>

#### Expenditure

Our total expenditure primarily consists of cost of materials consumed, purchase of stock in trade, changes in inventories of finished goods, work in Progress and Stock in Trade, employee benefit expenses, finance cost, depreciation and other expenses.

### **Costs of materials consumed**

Costs of materials consumed include purchase of raw materials such as API, excipients, essences, colorants & packaging materials, etc.

### **Purchase of stock in trade**

Purchase of stock in trade consists of tablets, capsules, injectables, ointments, orals, liquids, etc.

### **Employee benefit expenses**

Our employee benefit expenses mainly includes salaries & wages expense, directors' remuneration, various allowances, contribution to provident and other funds, gratuity expense, staff welfare expenses, etc.

### **Finance Costs**

Our finance costs mainly include interest on secured and unsecured borrowings, interest on delayed payment of taxes, bank charges, etc.

### **Depreciation**

Depreciation includes depreciation on tangible assets and amortization expenses of intangible assets.

### **Other Expenses**

Other expenses mainly include manufacturing and direct expenses such as packing material, transportation expenses etc., administration expenses such as consultancy charges post & courier charges, printing & stationery, selling & distribution expenses such as trade discounts & promotional expenses.

### **Statement of profits and loss**

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

Particulars	For the Period ended December 31, 2016	For the Year Ended March 31,		
		2016	2015	2014
<b>INCOME</b>				
Revenue from operations	5,619.44	6,473.33	5,646.34	5,011.16
As a % of Total Revenue	99.88	99.88%	99.97%	99.80%
Other income	6.50	7.69	1.44	10.23
As a % of Total Revenue	0.12	0.12	0.03%	0.20%
<b>Total Revenue (A)</b>	<b>5,625.94</b>	<b>6,481.01</b>	<b>5,647.78</b>	<b>5,021.39</b>
<b>Growth %</b>		<b>14.75%</b>	<b>12.47%</b>	<b>14.27%</b>
<b>EXPENDITURE</b>				
Costs of Raw Material Consumed	246.15	359.45	259.55	357.95
As a % of Total Revenue	4.38%	5.55%	4.60%	7.13%
Purchase of stock in trade	3,690.95	3,728.91	3,955.68	3,173.23
As a % of Total Revenue	65.61%	57.54%	70.04%	63.19%
Changes in inventories of finished goods, W.I.P. and stock in trade	(268.18)	125.57	(534.89)	(110.98)
As a % of Total Revenue	(4.77%)	1.94%	(9.47%)	(2.21%)
Employee benefit expenses	460.00	538.72	459.31	355.14
As a % of Total Revenue	8.18%	8.31%	8.13%	7.07%
Finance costs	35.29	68.34	66.48	71.37
As a % of Total Revenue	0.63%	1.05%	1.18%	1.42%
Depreciation expense	78.39	123.47	150.60	120.69
As a % of Total Revenue	1.39%	1.91%	2.67%	2.40%
Other expenses	790.18	757.69	659.01	584.27
As a % of Total Revenue	14.05%	11.69%	11.67%	11.64%
<b>Total Expenses (B)</b>	<b>5,032.80</b>	<b>5,702.15</b>	<b>5,015.74</b>	<b>4,551.67</b>
As a % of Total Revenue	89.46%	87.98%	88.81%	90.65%
Profit before exceptional, extraordinary items and tax	<b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>
As a % of Total Revenue	10.54%	12.02%	11.19%	9.35%
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	<b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>
As a % of Total Revenue	10.54%	12.02%	11.19%	9.35%
Extraordinary items	-	-	-	-
Profit before tax	<b>593.14</b>	<b>778.87</b>	<b>632.03</b>	<b>469.72</b>
<b>PBT Margin</b>	10.54%	12.02%	11.19%	9.35%
Tax expense :				
(i) Current tax	206.79	266.85	219.58	153.70
(ii) Deferred tax liability / (Asset)	(7.62)	(8.71)	(14.07)	(0.73)
(iii) Income Tax created short	-	2.15	0.49	3.77

Particulars	For the Period ended December 31, 2016	For the Year Ended March 31,		
		2016	2015	2014
Total Tax Expense	<b>393.97</b>	<b>260.29</b>	<b>206.00</b>	<b>156.74</b>
Profit for the year/ period	<b>393.97</b>	<b>518.57</b>	<b>426.03</b>	<b>312.98</b>
<b>PAT Margin</b>	<b>7.00%</b>	<b>8.00%</b>	<b>7.54%</b>	<b>6.23%</b>

### REVIEW OF NINE MONTHS ENDED DECEMBER 31, 2016

#### INCOME

##### *Income from operations*

Our income from operations was Rs. 5,619.44 lakhs which is about 99.88% of our total revenue for the period of nine months ended on December 31, 2016.

##### *Other income*

Our other income was Rs. 6.50 lakhs which consists of foreign exchange gain/loss, product development charges, interest income, etc.

#### EXPENDITURE

##### *Direct expenditure*

Our direct expenditure was Rs. 3668.93 lakhs which is 65.21% of our total revenue for the period of nine months ended December 31, 2016. The direct material expenditure includes cost of material consumed, purchase of stock-in-trade and changes in inventories of finished goods, WIP and stock-in-trade.

##### *Employee benefit expenses*

Our employee benefit expenses were Rs. 460.00 lakhs which was 8.18% of our total revenue for the period of nine months ended December 31, 2016 and comprised of salaries & wages, directors remuneration, various allowances given to the employees, gratuity expenses, etc.

##### *Finance cost*

Our finance cost which consists of interest on secured and unsecured loan and other borrowing costs was Rs. 35.29 lakhs which is 0.63% of our total revenue for the period of nine months ended December 31, 2016.

##### *Depreciation*

Depreciation and amortisation expenses were Rs. 78.39 lakhs which is 1.39% of our total revenue for the period of nine months ended December 31, 2016.

##### *Other expenses*

Our other expenses were Rs. 790.18 lakhs which is 14.05% of our total revenue for the period of nine months ended December 31, 2016. Other expenses include manufacturing expenses, administrative expenses, selling and distribution expenses, etc.

***Profit before tax***

Our Profit before tax was Rs. 593.14 lakhs which is 10.54% of our total revenue for the period of nine months ended December 31, 2016.

***Net profit***

Our Net profit after tax was Rs. 393.97 lakhs which is 7.00% of our total revenue for the period of nine months ended December 31, 2016.

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015**

***INCOME***

***Income from Operations***

Particulars	2015-16	2014-15	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Revenue from the operations	6,473.33	5,646.34	14.65%

The operating income of the Company for the year ending March 31, 2016 is Rs. 6,473.33 lakhs as compared to Rs. 5,646.34 lakhs for the year ending March 31, 2015, showing increase of 14.65%. The increase was due to increase in our business operations.

***Other income***

Our other income is Rs. 7.69 lakhs for the FY 2015-16 as compared to Rs. 1.44 lakhs in FY 2014-15. The increase was due to receipt of interest on income tax refund and profit on sale of assets, foreign exchange gain in FY 2015-16.

***Direct expenditure***

Particulars	2015-16	2014-15	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Cost of materials consumed	359.45	259.55	38.49%
Purchase of stock in trade	3,728.91	3,955.68	(5.73)%
Changes in inventories of finished goods, WIP and Stock in Trade	125.57	(534.89)	(123.48)%
<b>Total</b>	<b>4,213.93</b>	<b>3,680.34</b>	<b>14.50%</b>

The direct expenditure has increased from Rs. 3,680.34 lakhs in Financial Year 2014-15 to Rs. 4,213.93 lakhs in Financial Year 2015-16 showing an increase of 14.50% over the previous year. The increase was in line with increase in our operations.

### *Administrative and employee costs*

Particulars	2015-16	2014-15	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Employee benefit expenses	538.72	459.31	17.29%
Other expenses	757.69	659.01	14.97%

There is an increase in employee benefit expenses from Rs. 459.31 lakhs to Rs. 538.72 lakhs due to increase in salaries & wages and other employee related allowances.

Our other expenses increased by 14.97% from Rs. 659.01 lakhs in FY 2014-15 to Rs. 757.69 lakhs in FY 2015-16. The increase was mainly due to increase in selling and distribution expenses.

### *Finance costs*

The finance costs for the Financial Year 2015-16 have slightly increased to Rs.68.34 lakhs from Rs. 66.48 lakhs in the Financial Year 2014-15.

### *Depreciation*

Depreciation expenses for the Financial Year 2015-16 have decreased to Rs. 123.47 lakhs as compared to Rs. 150.60 lakhs for the Financial Year 2014-15.

### *Profit before tax*

Particulars	2015-16	2014-15	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Profit Before Tax	778.87	632.03	23.23%

Profit before tax increased from Rs. 632.03 lakhs to Rs.778.87 lakhs showing an increase of 23.23%. The increase was due to increase in our business operations.

### *Provision for tax and net profit*

Particulars	2015-16	2014-15	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Taxation Expenses	260.29	206.00	26.35%
Profit after Tax	518.57	426.03	21.72%

Taxation expense increased from Rs 206.00 lakhs in Financial Year 2014-15 to Rs. 260.29 lakhs in Financial Year 2015-16.

The profit after tax increased from Rs. 426.03 lakhs in Financial Year 2014-15 to Rs. 518.57 lakhs in Financial Year 2015-16. This was due to increase in our business operations.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014**

### *INCOME*

#### *Income from Operations*

Particulars	2014-15	2013-14	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Revenue from Operations	5,646.34	5,011.16	12.68%

The operating income of the Company for the year ending March 31, 2015 is Rs. 5,646.34 lakhs as compared to Rs. 5,011.16 lakhs for the year ending March 31, 2014, showing an increase of 12.68%. This was due to increase in our business operations.

#### ***Other income***

Our other income decreased to Rs. 1.44 lakhs in FY 2014-15 as compared to Rs. 10.23 lakhs in FY 2013-14. This was mainly due to one time receipt of product and development charges and foreign exchange gain in F.Y. 2013-14.

#### ***Direct expenditure***

Particulars	2014-15	2013-14	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Costs of materials consumed	259.55	357.95	(27.49)%
Purchase of stock in trade	3,955.68	3,173.23	24.66%
Changes in inventories of finished goods, WIP and Stock in Trade	(534.89)	(110.98)	381.97
<b>Total</b>	<b>3,680.34</b>	<b>3,420.20</b>	<b>7.61%</b>

The direct expenditure has increased from Rs. 3,420.20 lakhs in Financial Year 2013-2014 to Rs. 3,680.34 lakhs in Financial Year 2014-2015 showing an increase of 7.61% over the previous year. The increase was due to increase in our operations.

#### ***Administrative and employee costs***

Particulars	2014-15	2013-14	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Employee benefit expenses	459.31	355.14	29.33%
Other expenses	659.01	584.27	12.79%

There is an increase in employee benefit expenses from Rs. 355.14 lakhs to Rs. 459.31 lakhs due to increase in employees as well as salary levels.

Our other expenses increased by 12.79% from Rs.584.27 lakhs in Financial Year 2013-2014 to Rs. 659.01 lakhs in Financial Year 2014-2015. This increase was mainly due to increase in our manufacturing and direct expenses.

#### ***Finance costs***

The finance charges for the Financial Year 2014-2015 have decreased to Rs. 66.48 lakhs from Rs. 71.37 lakhs in Financial Year 2013-14 due to lower interest on bank borrowings.

#### ***Depreciation***

Depreciation expenses for the Financial Year 2014-2015 have increased to Rs. 150.60 lakhs as compared to Rs.120.69 lakhs for the Financial Year 2013-2014 due to increase in investment in fixed assets and change in method of depreciation as per Companies Act, 2013.

#### ***Profit before tax***

Particulars	2014-15	2013-14	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Profit Before Tax	632.03	469.72	34.55%

Profit before tax increased from Rs. 469.72 lakhs in the FY 2013-14 to Rs. 632.03 lakhs in the FY 2014-15. This was due to increase in our business operations.

#### ***Provision for tax and net profit***

Particulars	2014-15	2013-14	Variance
	(Rs. Lacs)	(Rs. Lacs)	(%)
Taxation Expenses	<b>206.00</b>	<b>156.74</b>	31.43%
Profit after Tax	<b>426.03</b>	<b>312.98</b>	36.12%

Taxation expense increased from Rs 156.74 lakhs in Financial Year 2013-14 to Rs. 206.00 lakhs in Financial Year 2014-15.

The profit after tax increased from Rs 312.98 lakhs in Financial Year 2013-14 to Rs. 426.03 lakhs in Financial Year 2014-15. This was due to increase in our business operations.

#### ***OTHER MATTERS***

##### **1. Unusual or infrequent events or transactions**

Except as described in this Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

##### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 20 of this Red Herring Prospectus to our knowledge there are no significant economic changes that materially affected or are likely to affect income of our Company from continuing operations.

##### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 20 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

##### **4. Future relationship between Costs and Income**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies, global market situation and prices of our materials.

##### **5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices**

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

##### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is involved in marketing and manufacturing of pharmaceutical and health care products. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 123 of this Red Herring Prospectus.

**7. Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Red Herring Prospectus. For details of the products our Company deals in, please refer to the chapter titled “Our Business” beginning on page 155 of this Red Herring Prospectus.

**8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

The % of Contribution of our Company’s customer and supplier Vis a Vis the total revenue from operations and total purchase respectively as on March 31, 2016.

Particulars	Customers	Suppliers
Top 5 (%)	15.54%	28.28%
Top 10 (%)	25.28%	44.17%

**10. Competitive Conditions**

We face competition from existing and potential organized and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in chapter titled “*Our Business*” on page 155 of this Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings as on March 31, 2016 together with a brief description of certain significant terms of such financing arrangements.

### **SECURED BORROWING**

#### **1. Loan of Rs. 500.00 Lakhs from Axis Bank as per Sanction Letter dated February 17, 2016**

<b>Nature of Facility</b>	<b>Cash Credit</b>
Limit	Rs. 500.00 Lakhs
Rate of Interest	Base Rate + 3% (the base rate applicable at present being 9.50% p.a.)
Tenor*	12 Months from the date of sanction
Repayment	Cash Credit-on-Demand
Purpose	To meet working capital requirements
Security	<p><b>Primary Security:</b></p> <ul style="list-style-type: none"> <li>• Working Capital</li> <li>• Exclusive first charge on the entire current assets of the company both present and future.</li> </ul> <p><b>Collateral Security:</b></p> <ul style="list-style-type: none"> <li>• Working Capital</li> <li>• Extension of first hypothecation charge on entire movable fixed assets of the company including plant &amp; machinery, present &amp; future.</li> </ul> <p><b>Collateral for Working Capital:</b></p> <p>Extension of EM of following properties</p> <ol style="list-style-type: none"> <li>1) EM of building A-2<sup>nd</sup> Floor, Zota House, Adm. 545 square feet standing in name of Himanshu Zota</li> <li>2) EM of building B-Higher Ground, Zota House, Adm. 796 square feet standing in name of Himanshu Zota</li> <li>3) EM of building B-2<sup>nd</sup> Floor, Adm 796 square feet in name of the Company</li> <li>4) EM of building B, Mezzanine Floor, Zota House, Adm 796 square feet standing in name of company</li> <li>5) EM of 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Bhagwan Aaiyappa Complex, Pandesara, Surat Adm area of 8286.54 square feet standing in name of Company's Director Manukant Chandulal Zota and others</li> <li>6) EM of land and building at plot no 169, Surat Special Economic Zone, Sachin, Surat in the name of the Company</li> </ol>
Personal Guarantee	<ul style="list-style-type: none"> <li>• Manukant Zota</li> <li>• Himanshu Zota</li> <li>• Kamlesh Zota</li> <li>• Ketan Zota</li> </ul>
Outstanding amount as on December 31, 2016	413.84 Lakhs

\*AXIS Bank Limited vide its letter dated February 21, 2017 has provided extension of Limit for a period of 3 months (May 16, 2017) from the date of expiry.

#### **Key restrictive covenants as per Term Agreement**

During the currency of the Banker's credit facility(s), the borrower will not without the bank's prior permission in writing;

- Conclude any fresh borrowing arrangement either secured or unsecured with any other bank or Financial Institutions, borrower or otherwise, not create any further charge over their fixed assets.
- Undertake any expansion or fresh project or acquire fixed assets, while normal capital expenditure, e.g. replacement of parts, can be incurred.
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concern. Normal trade credit or security deposits in the routine course of business or advances to employees can however be extended
- Formulate any scheme of amalgamations with any other borrower or reconstruction, acquire any borrower;
- Undertake guarantee obligations on behalf of any other borrower or any third party
- Declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation and bank's permission is obtained.
- Make any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statement submitted from time to time;
- Make any change in their management set-up.
- Effect any major change in its capital structure

#### **UNSECURED BORROWING FROM OTHERS**

Sr.No.	Name of Lender	Outstanding Amount as on December 31, 2016 (Rs. in Lakhs)
1.	Himanshu Zota	31.66
2.	Kamlesh Zota	53.52
3.	Manukant Zota	9.27
4.	Himanshu Zota (HUF)	2.40
5.	Induben Zota	60.32
6.	Kamlesh Zota (HUF)	10.44
7.	Ketankumar Chandulal Zota (HUF)	11.87
8.	Manisha Zota	39.87
9.	Varsha Zota	8.77

*Note: Our one of the object of the offer is repayment of secured borrowing. For further details please refer chapter titled "Objects of the Offer" on page 110 of this Red Herring Prospectus.*

## SECTION VI- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated below and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters or against any other company whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013)other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors or Promoters.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii)pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on September 10, 2016 determined that outstanding dues to creditors for goods in excess of Rs. 15 Lakhs as per Company's last audited financial statements shall be considered as material dues ("Material Dues").

Our Board, in its meeting held on September 10, 2016 determined that litigations involving an amount of more than Rs. 5 Lakhs shall be considered as material.

Unless otherwise stated to contrary, the information provided is as of date of this Red Herring Prospectus.

#### **LITIGATIONS INVOLVING OUR COMPANY**

#### **LITIGATIONS AGAINST OUR COMPANY**

##### **Criminal Litigation**

Nil

##### **Civil Proceedings**

Nil

##### **IPR Proceedings**

#### **GALPHA LABORATORIES LTD V. ZOTA HEALTH CARE LIMITED**

Zota Health Care Limited (hereinafter referred to as the '**Applicant**') has made an application for registration of its trademark named '**PROTERON**' under class 5 bearing an Application number 2188805 dated August 10, 2011 in respect of the goods and services covered under 'Pharmaceutical and Medicinal preparations and substances'. Galpha Laboratories Limited (hereinafter referred to as the '**Opponent**') has obtained registration of its trademark named '**PROTIRON**' under class 5 bearing an application number 1447983 dated May 1, 2006 in respect of the goods and services covered under 'Pharmaceutical and Medicinal preparations and substances' and the same is valid upto May 1, 2026. In December 2013, the Opponent came across advertisement of trademark of the applicant i.e. '**PROTERON**' published in Trademark Journal No. 1621 dated December 30, 2013. Subsequently, a notice of opposition was issued by the opponent dated January 23, 2014 to the applicant directing it to discontinue use of the trademark. The Applicant failed to comply with the notice and thus the opponent initiated opposition proceedings bearing number AMD – 812051 dated August 27, 2014 to oppose the application number 2188805 under Class – 5 against the Applicant. The opponent has filed Civil Suit No. 338 of 2014 including a Notice of Motion No. 833 of 2014 and Letter Patent Leave Petition Number 92 of 2014 in the High Court of Judicature at Bombay for Trade mark infringement of the '**PROTIRON**'. The High Court of Bombay has granted leave under clause XIV to the Galpha Laboratories Limited disposing the leave petition. The said matter is currently pending.

## Trademark Opposition Cases

There are 48 opposition of trademark infringement against our company from different companies and parties because of similar brand name initiated against our company. The same are currently pending.

## Taxation Matters

### Proceeding for AY 2009-10

A survey was conducted dated February 24, 2009 under Section 133A of the Income Tax Act, 1961 (hereinafter referred to as the ‘Act’) at the premises of Zota Healthcare Limited (hereinafter referred to as the ‘Appellant’). The physical inventory of the stock was taken and the stock was valued on the basis of MRP at Rs. 27.94 crores. The stock found as per register was Rs. 5.02 Crores. As per Appellant since they were pharmaceutical products there was a vide gap between MRP and cost price of the items. The Appellant claimed that MRP can be 2 to 10 times the cost price of various items. The assessing officer made an addition of Rs. 24,20,994/- being ‘unaccounted sales’ for the deficit stock by adding the gross profit margin on the same.

An intimation under Section 143 (1) of the Act for order dated October 7, 2010 thereby determining refund amounting to Rs. 3,73,770/. An intimation was made under Section 115 WE(1) of the Act for Fringe Benefit Tax refund amounting to Rs. 1,120/-.

The Assistant/ Commissioner of Income Tax, Circle – 4 (hereinafter referred to as the ‘Assessing Authority’) reduced an addition of Rs. 7,65,034/- being gross profit on ‘unaccounted sales.’ The Assessing Authority has passed an Order dated July 30, 2012 allowing relief amounting to Rs. 26,17,931/- by the in view of the Order giving effect to the Order of the Ld. Commissioner of Income-Tax (Appeals) – IV (hereinafter referred to as ‘Appellate Authority’). A notice of demand dated July 30, 2012 under Section 156 of the Income Tax Act, 1961 amounting to Rs. 8,27,254/-.

The Assessing Authority passed an Assessment Order dated March 19, 2013 imposing a penalty of Rs. 2,36,395/- (hereinafter referred to as the “Impugned Order”) for concealment of Income. An Income-Tax Refund Order dated April 10, 2013 was given for a refund amounting to Rs. 5,90,859/. A second appeal having number CAS-II/137/2013-14 was filed dated July 4, 2014 under Section 271(1)(c) of the Income Tax Act, 1961 before the Office of the Commissioner of Income Tax (Appeals) – II, Surat against the Impugned Order. The penalty levied is cancelled and the appeal is decided in favour of the Appellant. The Deputy Commissioner of Income Tax, Circle 2(1)(1) vide order dated December 30, 2016 released the impounded books of accounts and documents of February 25, 2009.

However, Income Tax Department’s Website Response to outstanding tax demand reflects outstanding demand of Rs. 79,560/- for AY 2009-10.

### Intimation for adjustment of refund for AY 2012-13

The Assistant Commissioner of Income Tax, Circle – 4 (hereinafter referred to as the ‘Assessing Authority’) issued a letter having no. SRT/ACIT/Cir-4/245/2013-14 dated November 25, 2013 for adjustment of refund arising out of the processing under Section 143 (1) of the Income Tax Act, 1961 (hereinafter referred to as the ‘Act’) for outstanding demand as follows:

- i. AY 2003-04 amounting to Rs. 442/-
- ii. AY 2006-07 amounting to Rs. 495/-
- iii. AY 2009-10 amounting to Rs. 90,806/-

While processing the tax returns of AY 2012-13 under Section 143 (1) of the Act a refund of Rs. 32,93,871/- plus Interest was determined. The Assessing Authority has proposed to adjust the refund order against the outstanding demand. A reply to the letter was made on December 5, 2013 by Zota Healthcare Limited clarifying no tax outstanding for AY 2009-10 and intimating no knowledge of demand outstanding for AY 2003-04 and AY 2006-07. A request was made to not adjust any refund as there was no corresponding tax outstanding.

### Proceedings against Our Company for economic offence/securities laws/ or any other law

Nil

### Penalties in Last Five Years

Nil

### Pending Notice against our Company

### Letter from National Pharmaceutical Pricing Authority regarding “Zobex – Z”

Company has received a letter dated March 2, 2012 bearing number F.No. 21(1536)/2009/Div.IV/NPPA from National Pharmaceutical Pricing Authority, Department of Pharmaceutical, Ministry of Chemical and Fertilisers, Government of India demanding a total sum of Rs. 1,28,493/- towards overcharged amount for the period of July 2006 and interest on overcharged amount calculated. The Matter is currently pending.

**Letter from National Pharmaceutical Pricing Authority regarding “Onaplex Syr 100ml & Proteron – Z Syr 200ml”**

Company has received letter dated April 21, 2015 bearing file number 21(1603) 2009/Div. IV/NPPA from National Pharmaceutical Pricing Authority, Ministry of Chemicals and Fertilisers, Department of Pharmaceuticals wherein Company has been directed to submit the control samples of formulation Onaplex Syr 100ml manufactured after batch no. S-11 in October 2008 and control sample of the formulation ‘Proteron-Z Syr 200ml’ manufactured after batch no. S-21 in November 2008 along with the price list in form V duly signed by authorised signatory of the company. The matter is currently pending.

**Letter from National Pharmaceutical Pricing Authority regarding “Onaplex Syr 100ml”**

Company has received letter dated January 18, 2016 bearing F.No. 21(2424)2012/Div.IV/NPPA from National Pharmaceutical Pricing Authority, Ministry of Chemicals and Fertilisers, Department of Pharmaceuticals wherein they are requested to pay a sum of Rs. 11,623/- which is additional interest on the overcharged amount calculated from July 16, 2014 to December 29, 2015. The matter is currently pending.

**Letter from National Pharmaceutical Pricing Authority regarding “Pentoat I.V. Injection”**

Company has received letter dated May 9, 2016 bearing file number 25(399)/2014/Div. IV(OC-II)/NPPA from National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers, Government of India directing them to furnish quantity of formulation sold to public at higher price after the date of notification including stock of pre-manufactured batches available in market for sale and including batch number UDP-3049 manufactured in February, 2013 till the batches from which the company started following ceiling price. The Company has replied to this via letter dated May 25, 2016. The matter is currently pending.

**Past Notices to our Company**

**Notice from Registrar of Companies, Gujarat, Dadra & Nagar Haveli**

Company has received notice dated August 23, 2013 from Registrar of Companies, Gujarat, Dadra & Nagar Haveli (hereinafter referred as ‘ROC’), Ministry of Corporate Affairs with reference to fourteen Form-2 filed by the Company; seeking information/ document under section 234 of Companies Act, 1956 (hereinafter referred as ‘Act’) with respect to said allotment of shares done by the Company to more than 50 allottees. Additionally, Company has been directed to confirm the compliance with section 67(3) read with section 73 of Companies Act, 1956 regarding said allotment of shares to more than 50 allottees. In reply to the abovementioned notice, Company has requested for extension of time to provide the details on several occasions but failed to provide the details asked by the ROC. Hence, Company has received Show Cause Notice dated October 9, 2013 from ROC for violation of section 67(3) read with 73 of the Companies Act, 1956; seeking reasons from Company and every officer in default as to why the legal action under section 73 (3) should not be taken against them. Company has replied to this notice via letter dated October 14, 2013 stating that the said allotment of shares does not violate section 67 (3) read with section 73 (3) of the Act and is in compliance with the relevant provisions of the Act. The company has not received any further communication from the ROC post its clarification letter dated October 14, 2013.

**Notice from Ministry of Corporate Affairs – Cost Audit Branch regarding Non-Compliance of Section 148 of the Companies Act, 2013**

Company has received notice dated May 4, 2016 from Cost Audit Branch of Ministry of Corporate Affairs wherein company is asked to provide reason for not appointing Cost auditor for the financial year 2015-16 as per section 148 of Companies Act read with Sub rule (1) of Rule 6 of The Companies (Cost Records and Audit) Rules, 2014. Non-compliance of the above stated provisions will attract penal provisions against the company and its officers in default under sub section 8 of section 148 of the Companies Act, 2013 and rules made thereunder. Zota Healthcare replied to this notice via letter dated May 11, 2016 wherein they stated that the reason company is doing manufacturing and trading activity their Manufacturing unit is situated at Special Economic Zone (SEZ) and as per rule 4(3) (ii) of Companies (Cost Record and Audit) Rules, 2014 cost audit is not applicable to the units which are operating from a special economic zone.

**Letter from National Pharmaceuticals Pricing Authority dated May 11, 2016 regarding “Onset Injections”**

Company has received letter dated May 11, 2016 bearing file number 25(401)/2014/Div. IV(OC-II)/NPPA from National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers, Government of India directing them to furnish quantity of formulation sold to public at higher price after the date of notification including stock of pre-manufactured batches available in market for sale and including batch number ZHC-1339 manufactured in December, 2012 till the batches from which the company started following ceiling price. Company has replied to this via letter dated May 25, 2016. **Letter from National Pharmaceuticals Pricing Authority dated July 25, 2014 regarding “Onaplex Syrup 200ml”**

Company has received a letter dated July 25, 2014 bearing number F.No. 21(2424)/202/Div.IV/NPPA from National Pharmaceutical Pricing Authority, Department of Pharmaceutical, Ministry of Chemical and Fertilisers, Government of India demanding a total sum of Rs. 1,09,353/- towards overcharged amount in respect of formulation Onaplex Syrup 200ml. Company via Demand Draft no. 067844 dated December 29, 2015 paid the said amount.

**Letter from National Pharmaceuticals Pricing Authority dated December 23, 2014 regarding “Cafona-E-Syrup”**

Company has received a letter dated December 23, 2014 bearing number F.No. 21(1994)/2011/Div.IV/NPPA from National Pharmaceutical Pricing Authority, Department of Pharmaceutical, Ministry of Chemical and Fertilisers, Government of India directing Company to deposit a sum of Rs. 9, 260/- . Company via Demand Draft no. 067843 dated December 29, 2015 paid the above said amount.

**Letter from National Pharmaceuticals Pricing Authority dated July 06, 2010 regarding “Onaplex Syrup 200ml”**

Company has received a letter dated July 06, 2010 bearing number F.No. 21(1603)/09/Div.IV/NPPA from National Pharmaceutical Pricing Authority, Department of Pharmaceutical, Ministry of Chemical and Fertilisers, Government of India directing company to pay total sum of Rs. 1,31,011/- towards Manufacturing / Marketing of schedules formulation at price higher than “Onaplex Syr 100ml & Proteron-Z Syr 200ml” without following ceiling Price. Company via Demand Draft no. 061519 dated December 29, 2015 paid the above said amount.

**Disciplinary Action taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material fraud against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATION FILED BY OUR COMPANY**

**Criminal Litigation**

Nil

**Civil Proceedings**

Nil

**IPR Proceedings**

**Trademark Opposition Cases**

There are 81 opposition of trademark filed by our company against different companies or parties because of similar mark or similar brand name. The same are currently pending.

**Taxation Matters**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATION INVOLVING DIRECTORS OF OUR COMPANY**

## **LITIGATION AGAINST OUR DIRECTORS**

### **Criminal Litigation**

#### **Ketankumar Chandulal Zota**

Our director, Ketankumar Chandulal Zota who is also a promoter of the Company is involved in a criminal litigation initiated under Drugs and Cosmetics Act, 1940 and has been released on personal bond for sum of Rs. 5000 with two sureties each. For further details of the abovementioned criminal proceedings against the director, kindly refer the sub-head "Criminal Litigation" under "**LITIGATIONS INVOLVING OUR PROMOTER – LITIGATIONS AGAINST THE PROMOTER**"

### **Civil Proceedings**

Nil

### **Taxation Matters**

Nil

### **Past Penalties imposed on our Directors**

Nil

### **Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

### **Directors on list of wilful defaulters of RBI**

Nil

## **LITIGATION BY DIRECTORS OF OUR COMPANY**

### **Criminal Litigation**

Nil

### **Civil Proceedings**

Nil

### **Taxation Matters**

Nil

## **LITIGATIONS INVOLVING PROMOTER OF OUR COMPANY**

### **LITIGATIONS AGAINST OUR PROMOTERS**

#### **Criminal Litigation**

#### **KETANKUMAR CHANDULAL ZOTA V. STATE OF ANDHRA PRADESH**

On August 30, 2006, Drug Inspector, Tirupati has inspected a Retail Medical Shop i.e. M/s Vasanthi Medicals situated at shop no.12, Municipal Complex, Tirupati and picked up the samples of drugs manufactured by M/s. Zota Pharmaceuticals\*. The said samples of drug were then sent to Government Analyst, Hyderabad for analysis wherein it was found out that the said drugs were not of standard quality. After which the premises of the M/s. Zota Pharmaceuticals, Surat was inspected on October 3, 2008 for thorough investigation and a criminal complaint CC. No. 36/2009 dated October 30, 2008 was filed against M/s. Zota Pharmaceuticals represented through its Proprietor – Ketankumar Chandulal Zota before the court of III Additional Judicial Magistrate of I Class, Tirupati for violation of section 18(a) (i) of Drugs and Cosmetics Act, 1940, punishable under section 27(d) of Drugs and Cosmetics Act. III Additional Judicial Magistrate of First Class, Tirupati vide its judgement dated June 20, 2011 held Ketankumar Zota as guilty and sentenced him to undergo simple imprisonment of one year and fine of Rs. 10,000/- . Ketankumar Zota has paid the fine amount and the sentence was suspended till July 20, 2011. A Criminal Appeal bearing an appeal number 146 of 2011 has been filed against the said order before III Additional District and Sessions Judge, Tirupati. Additional Session Judge vide the judgement dated January 17, 2013, has rejected the Appeal and confirmed the conviction order passed by lower Court.

Against the said order, Ketankumar Chandulal Zota (**'the Petitioner'**) filed a petition under section 397(1) of Cr. P.C. - CRLRC NO. 75 of 2013 along with Suspension Petition - CRLRCMP NO. 123 of 2013 before Hon'ble High Court of Judicature of Andhra Pradesh which has stayed the orders of lower court suspending the

sentence of imprisonment imposed against the petitioner and ordered for release of the petitioner on the bail for a personal bond for sum of Rs. 5,000 with two sureties, pending disposal of CRLRC NO.75 of 2013.

*\*Our Company Zota Healthcare Limited has acquired the rights over intangible assets such as trademarks, goodwill etc. of the M/s Zota Pharmaceuticals, Surat by an Assignment agreement dated February 27, 2010.*

**Civil Proceedings**

Nil

**Taxation Matters**

**Himanshubhai Muktilal Zota**

**Proceeding for AY 2015-16**

Himanshubhai Muktilal Zota (hereinafter referred as “Assessee”) has received a Notice dated July 26, 2016 under Section 142 (1) of the Income Tax Act, 1961 issued by the Income Tax Officer, Ward-1(3)(7)-Surat, Income Tax Department wherein he is requested to furnish details / Informations for completion of assessment proceedings for AY 2015-16. The matter is currently pending.

**Past Penalties imposed on our Promoters**

Nil

**Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the Past**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**LITIGATIONS BY OUR PROMOTERS**

**Criminal Litigation**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**LITIGATION INVOLVING OUR GROUP COMPANIES**

As on date of this Red Herring Prospectus, Company does not have any Group company.

**LITIGATION INVOLVING OUR SUBSIDIARIES**

As on date of this Red Herring Prospectus, Company does not have any subsidiary company.

**OTHER MATTERS**

Nil

**DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

Nil

**OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHO'S OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

Nil

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 315 of this Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS FOR GOODS**

As of December 31, 2016, our Company had 137 creditors for goods, to whom a total amount of Rs. 1409.40 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated September 10, 2016, considered creditors for goods to whom the amount due exceeds Rs. 15 lakhs as per our Company’s restated financial for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Creditors	Amount (Rs. In Lacs)
THEON PHARMACEUTICALS LTD	168.76
LIFEVISION HEALTHCARE	90.44
SHAPE PHARMA PVT. LTD.	87.78
PROGRESSIVE LIFESCIENCE PVT LTD	74.65
SARVEAR PHARMACEUTICALS U.A.	54.49
COSMAS RESEARCH LAB LTD.	50.71
FARMACHEM LIFE PVT. LTD.	50.68
AVION LIFE SCIENCE	50.38
LOGOS PHARMA	45.08
PRIYA LIFE SCIENCE	43.10
DPB ANTIBIOTICS	40.18
DEVI HEALTHCARE PVT. LTD.	36.65
SVR HEALTHCARE	34.80
THREE B HEALTH CARE LTD.	34.57
ACACIA BIOTECH LTD.	32.49
IBN HERBALS	29.62
HARSH BIOTECH PVT. LTD.	28.40
ASTERISK HEALTHCARE	26.08
AFFY PARENTRALS	22.42
CLASSIC ART PRINT	21.75
RAJVI BIOTECH PVT. LTD	20.48
NIKVIN HEALTHCARE (INDIA) PVT LTD	20.43
INFLUX HEALTHCARE	19.67

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see [www.zotahealthcare.com](http://www.zotahealthcare.com)

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, [www.zotahealthcare.com](http://www.zotahealthcare.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for our present business and except as mentioned under this heading, no further material approvals are required for carrying on our present business. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing and marketing pharmaceutical products we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter “*Key Industry Regulations and Policies*” on page 172 of this Red Herring Prospectus.

### **Registered office situated at:**

“Zota House”, 2/896, Hira Modi Street, Sagarampura, Surat City, Surat- 395002, Gujarat, India.

### **Manufacturing Unit situated at:**

SEZ unit located at Plot No. 169, Surat Special Economic Zone, Near SACHIN Railway Station, Surat-394230, Gujarat, India.

### **Warehouse situated at:**

Our warehousing unit is located at the Pandesara Industrial Estate, Udhna Navsari Road, Surat, Gujarat, India.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE/ OFFER**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on July 25, 2016 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed at the Annual General Meeting held on August 27, 2016, authorized the Issue.

#### **Approvals from Selling Shareholders:**

The selling shareholders have consented to participate in the offer in the following manner:

1. Manukant Zota has consented to participate in the Offer for Sale by offering 3,60,000 Equity Shares vide authorization letter dated September 10, 2016.
2. Varshaben Zota has consented to participate in the Offer for Sale by offering 3,60,000 Equity Shares vide authorization letter dated September 10, 2016.
3. Ketankumar Chandulal Zota (HUF) has consented to participate in the Offer for Sale by offering 4,80,000 Equity Shares vide authorization letter dated September 10, 2016.
4. Manisha Zota has consented to participate in the Offer for Sale by offering 3,00,000 Equity Shares vide authorization letter dated September 10, 2016.

#### **In-principle approvals from the Stock Exchange:**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated March 08, 2017 bearing reference no. NSE/LIST/106579.

#### **Agreements with NSDL and CDSL:**

1. The Company has entered into an agreement dated February 24, 2016 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Satellite Corporate Services Pvt. Ltd. for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated March 4, 2016 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Satellite Corporate Services Pvt. Ltd. for the dematerialization of its shares.

3. The Company's International Securities Identification Number ("ISIN") is INE358U01012.

#### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated July 12, 2000 issued by the Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli, in the name of "**Zota Health Care Private Limited**".
2. Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company issued on August 18, 2008 by the Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli in the name of "**Zota Health Care Limited**".
3. The Corporate Identification Number (CIN) of the Company is **U24231GJ2000PLC038352**.

#### **APPROVALS RELATED TO OUR BUSINESS ACTIVITIES**

Sr. No .	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1.	Certificate of Importer Exporter Code (IEC)	Assistant Development Commissioner, Kandla FT, Ministry of Commerce and Industry, Government of India	IEC No. 3705001591	December 27, 2005	Not Available
2.	<b>Form C</b> Registration Certificate of Establishment (under Bombay Shops and Establishments Act, 1948 and rules made thereunder)	Shops and Establishments Inspector, Surat Mahanagar Seva Sadan	Registration Number: SZ/AS/BHEDWAD/5 17431	Date of Issue: July 19, 2008	December 31, 2017
		Shops and Establishments Inspector, Surat Municipal Corporation	Registration Number: CZ/AS/2/289897	Date of Issue: January 25, 2010 Date of renewal: February 03, 2017	December 31, 2019
3.	<b>Form 26</b> License to manufacture for sale (or for distribution) of drugs other than those specified in Schedule C, C(1) and X to the Drugs and Cosmetics Rules, 1945	Commissioner, Food & Drugs Control Administration, Gujarat State	License No. Form 25 G/25/1905	Date of Issue: December 8, 2010 Date of renewal: December 08, 2015	December 7, 2020
4.	<b>Form 26</b> License to manufacture for sale (or for distribution) of drugs other than those specified in Schedule C,C(1) and X to the Drugs and Cosmetics Rules, 1945	Commissioner, Food & Drugs Control Administration, Gujarat State	License no. Form 28 G/28/1360	Date of Issue: December 8, 2010 Date of renewal: December 08, 2015	December 7, 2020

Sr. No .	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
5.	<b>Form C</b> License under Food Safety and Standards Act, 2006	Designated Officer & Medical Officer of Health, Surat Municipal Corporation	License No. : 10712021000973	December 21, 2012	December 20, 2017
6.	<b>Form No 4</b> License to work a factory under Factories Act, 1948 and rules made thereunder	Joint Director, Industrial Safety and Health, Surat Region	Registration No. 2135/24232/2011 License No. 9644	November 04, 2015	December 31, 2017
7.	<b>Certificate</b> warranting remission of electricity duty payable under the Schedule I to the Bombay Electricity Duty Act, 1958 in accordance with Government Notification No. GHU/2002/68//EL D/2007/6266/K dated August 29, 2002	Collector of Electricity Duty, Gandhinagar, Gujarat	No. B/SEZ/Surat/23-8-2010	September, 28, 2010	September 27, 2020
8.	Renewal of validity of Letter of Approval in respect of manufacturing activity in terms of Rule 19 (6) of the SEZ Rules, 2006	Development Commissioner, Surat Special Economic Zone	Original Letter of Approval No. SSEZ/II/005/2007-08/775 Renewed Letter of Approval No. SSEZ/II/005/2007-08/947	Date of Issue: October 4, 2010 Date of Renewal: September 15, 2015	September 26, 2020
10.	<b>Form 21 C</b> Renewal of License under Drugs and Cosmetics Act, 1940 <b>(License Type 20B)</b>	Licensing Authority & Assistant Commissioner (Food & Drugs Control Administration, Surat)	License No G/SS/2506	Date of Issue: September 18, 2008 Date of Renewal: September 18, 2013	September 17, 2018
11.	<b>Form 21 C</b> Renewal of License under Drugs and Cosmetics Act, 1940 <b>(License Type 21B)</b>	Licensing Authority & Assistant Commissioner (Food & Drugs Control Administration, Surat)	License No G/SS/2465	Date of Issue: September 18, 2008 Date of Renewal: September 18, 2013	September 17, 2018
12.	<b>Form 21 C</b>	Licensing	License No. G/75485	Date of	September

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	Renewal of License under Drugs and Cosmetics Act, 1940 <b>(License Type 20B)</b>	Authority & Assistant Commissioner (Food & Drugs Control Administration, Surat)		Issue: September 22, 2008 Date of Renewal: September 22, 2013	21, 2018
13.	<b>Form 21 C</b> Renewal of License under Drugs and Cosmetics Act, 1940 <b>(License Type 21B)</b>	Licensing Authority & Assistant Commissioner (Food & Drugs Control Administration, Surat)	License No. G/75486	Date of Issue: September 22, 2008 Date of Renewal: September 22, 2013	September 21, 2018
14	Certificate for Good Manufacturing Practices (GMP) as per WHO TRS No. 908 of 2013	Commissioner, Food & Drugs Control Administration, Gandhi Nagar, Gujarat	Certificate No. : 17031458	March 09, 2017	September 08, 2017

#### COUNTRY-WISE PRODUCT REGISTRATIONS

Sr. No.	Country	No. of Products	Status
1	Kenya	42 Products	Received Certificate of Registration for 29 products 13 products are under Registration
2	Nigeria	4 Products	Registration certificates received for all
3	Tanzania	25 Products	1 product is accepted in MOH for Registration 24 products are under Registration
4	Ethiopia	40 Products	40 products are under Registration
5	Myanmar	27 products	27 Products are under Registration
6	Vietnam	12 Products	12 Products are under Registration
7	Srilanka	11 Products	2 Products Received Registration Certificate 9 Products are under Registration
8	Nepal	24 Products	All products are already Marketing from Domestic market as Nutraceuticals Received registration Certificate for 4 Products and 20 Products are under Registration
9	Turkmenistan	1 Product	Received Registration Certificate
10	Uzbekistan	2 Products	Both are under Registration
11	Ukraine	1 Product	Received registration Certificate
12	Georgia	2 Products	Received registration Certificates
13	Costarica	1 Product	Received registration Certificate
14	Bolivia	10 Products	Received registration certificate for 1 Product and 9 Products are under Registration
15	Yemen	28 Products	28 Products are under Registration

### TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	PAN No.: AAACZ1196M	July 12, 2000	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	TAN No. SRTZ00001B	Not Available	Perpetual
3.	<b>Form B</b> Certificate of Registration under Central Sales Tax (Registration and Turnover) Rules, 1957	Commissioner of Commercial Taxes Department, Government of Gujarat	24221401271	Date of Issue: August 20, 2016 Date of effectiveness: January 25, 2000	Until Cancelled
4.	<b>Form 102</b> Certificate of Registration under Gujarat Value Added Tax Act, 2003	Commissioner of Commercial Taxes Department, Government of Gujarat	24221401271	July 1, 2002	Until Cancelled
5.	Acknowledgement receipt, Commercial sales tax for change in place of business	Government of Gujarat, Commercial Sales Tax	24221401271	Effective date : October 4 2011 Receipt Date: October 4 2011	Not Available
6.	Service Tax Exemption Certificate under Rule 31 of SEZ Rules, 2006, r/w service tax notification No. 04/2004 dated March 31, 2004	Officer on Special Duty, For Development Commissioner, Surat Special Economic Zone	SSEZ/II/005/20 07-08/062	May 7, 2008	Not Available

### LABOUR RELATED APPROVALS/REGISTRATIONS

The Company has obtained the following approvals related to Labour/ employment related registrations:

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employees Provident Fund and Miscellaneous Provisions Act, 1952)	Employee's Provident Fund Organization, Surat	Code No. GJ/SRT/35608	April 13, 2007
2.	Employees State Insurance	Deputy Director	Establishment	April 27, 2007

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
	Registration (under Section 1(5) of Employees State Insurance Act, 1948)	for Joint Director I/C, Employees State Insurance Corporation, Surat	Code No. 39/35037/101	

## INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

As on the date of this Red Herring Prospectus, our Company has applied for following copyrights and patents:

### COPYRIGHTS AND PATENTS

Sr. No.	Title Of Invention	Description	Authority	Application Number	Date of Issue	Period of Grant	Current Status
1.	JAN PHARMACY	Artistic Work	Deputy Registrar of Copyrights, Government of India	Diary Number-15596/2012-CO/A Copyright Registration Number-A-105260/2013	Date of Application: December 06, 2012 Date of Issue September 17, 2013	Not available	Granted
2.	A Pharmaceutical Oral Formulation- A Synergistic Combination For The Treatment Of Diabetic Neurotherapy	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 1733/MUM/2010 Patent Number: 260291	Date of Issue: June 7, 2010 Date of Grant: April 21, 2014	20 years from date of issue	In force. Due for renewal on June 7, 2017
3.	An Antioxidants Granule Composition- “Active Antioxidants For All Age Group”	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 373/MUM/2010 Patent Number: 261078	Date of Issue: February 11, 2010 Date of Grant: June 03, 2014	20 years from date of issue	In force. Due for renewal on February 2, 2017
4.	Novel Oral Pharmaceutical Composition For The Treatment Of Respiratory Allergic Diseases	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 1402/MUM/2011 Patent Number: 262671	Date of Issue: May 5, 2011 Date of Grant: September 04, 2014	20 years from date of issue	In force. Due for renewal on May 5, 2017
5.	A Formulation To Reduce Inflammation Of Bones And Joint Friction-	Patent Certificate under Rule 74 of the Patents Rules made	Controller General of Patents, Designs	Application Number: 2224/MUM/2010	Date of Issue: August 5, 2010 Date of Grant:	20 years from date of	In force. Due for renewal on August 5,

Sr. No.	Title Of Invention	Description	Authority	Application Number	Date of Issue	Period of Grant	Current Status
	An Exclusive Pharmaceutical Formulation To Reduce Inflammation Of Bones And Joint Friction With Improved Cartilage Quality	under Patent Act, 1970	& Trademarks, Government of India	Patent Number: 257592	October 18, 2013	issue	2017
6.	Pharmaceutical Compositions Containing Taurine And Race-Methionine For The Treatment Of Alcoholism	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 1868/MUM/2009 Patent Number: 257991	Date of Issue: August 13, 2009 Date of Grant: November 26, 2013	20 years from date of issue	In Force, Due for renewal on August 13, 2017
7.	Anti-inflammatory Composition-Synergistic Effects Of The Combination Of The Specific Compounds And Their Effects On Various Diseases	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 3568/MUM/2010 Patent Number: 266908	Date of Issue: December 30, 2010 Date of Grant: June 16, 2015	20 years from date of issue	Under Extension Period as due date for renewal was December 30, 2016
8.	A Synergistic Hepatoprotective Formulation	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 2223/MUM/2010	Date of Application: May 8, 2010	NA	Application refused under Section 15
9.	“A Novel Combined Pharmaceutical Composition Containing Three Active Ingredient And Methods Of Making And Using The Same.”	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 1918/MUM/2011	Date of Application: April 7, 2011	NA	Application refused under Section 15

Sr. No.	Title Of Invention	Description	Authority	Application Number	Date of Issue	Period of Grant	Current Status
10.	"A Synergistic Combined Pharmaceutical Composition Of An Active Antipyretic And Analgesic And Administrations Thereof"	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 2133/MUM/2011	Date of Application: July 27, 2011	NA	Request for Examination has been made and First Examination Report submitted. The Application is under hearing Group 1 (Chemistry and Allied Subjects)
11.	"A Suitable Oral Formulation For Instant And Sustained Release Action."	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 3335/MUM/2012	Date of Application: November 28, 2011	NA	Application Abandoned under Section 9(1)
12.	"An Oral Pharmaceutical Formulation For Respiratory Diseases."	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 3336/MUM/2012	Date of Application: November 28, 2011	NA	Application Abandoned under Section 9 (1)
13.	Stable Taurine Oral Composition	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 368/MUM/2012	Date of Application: February 9, 2012	NA	Application Abandoned under Section 21(1)
14.	Potent Revital Formulation	Patent Certificate under Rule 74 of the	Controller General of	Application Number:	Date of Application:	NA	Application Abandoned

Sr. No.	Title Of Invention	Description	Authority	Application Number	Date of Issue	Period of Grant	Current Status
		Patents Rules made under Patent Act, 1970	Patents, Designs & Trademarks, Government of India	496/MUM/2012	February 23, 2012		under Section 21(1)
15.	A Customizable Dosing System For Morning Sickness	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 1374/MUM/2012	Date of Application: May 03, 2012	NA	Request for Examination has been made and First Examination Report submitted. The Application is under hearing Group 1 (Chemistry and Allied Subjects)
16.	"Compact Dosage Form For The Treatment Of Menopause And Other Woman Related Diseases".	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 2965/MUM/2012	Date of Application: October 10, 2012	NA	Application Abandoned u/s 21(1)
17.	"Synergistic Compact Oral Formulation For Hepatic Diseases, Osteoarthritis, Cardiovascular And Neurological Disorders."	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 3302/MUM/2012	Date of Application: November 16, 2012	NA	Request for Examination Date
18.	"An Oral Formulation With Antioxidant Properties For The Treatment Of Hepatic Diseases."	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act,	Controller General of Patents, Designs & Trademarks,	Application Number: 697/MUM/2013	Date of Application: March 08, 2013	NA	Request for Examination Date

Sr. No.	Title Of Invention	Description	Authority	Application Number	Date of Issue	Period of Grant	Current Status
		1970	Government of India				
19.	"Muscle Relaxant Compact Dosage Form".	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 2728/MUM/2013	Date of Application: August 21, 2013	NA	Request for Examination Date
20.	A Synargistic Oral Pharmaceutical Composition For Effective Treatment Of Liver Diseases	Patent Certificate under Rule 74 of the Patents Rules made under Patent Act, 1970	Controller General of Patents, Designs & Trademarks, Government of India	Application Number: 1668/MUM/2014	Date of Application: May 19, 2014	NA	Request for Examination Date

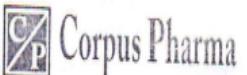
## TRADEMARKS

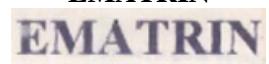
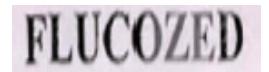
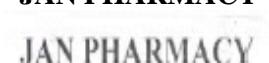
Trademarks registered under Section 23 (2) Rule 62(1) of Trademark Rules, 2002:

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
1.	<b>AMLOZED</b>	WORD & 5	Ketanbhai Zota for Zota Pharmaceuticals	1229423	September 1, 2003	September 1, 2023	Registered
2.	<b>ARTHZED</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1111920	June 17, 2002	June 17, 2022	Registered
3.	<b>ATBEND</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229968	September 1, 2003	September 1, 2023	Registered
4.	<b>ATBOL-D</b>	WORD & 5	Zota Healthcare	2334512	May 19,	May 19, 2022	Registered

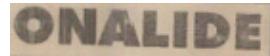
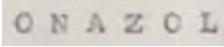
Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
		Ltd			2012		
5.	<b>ATCET</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229961	September 1, 2003	September 1, 2023	Registered
6.	<b>ATCOLD</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229963	September 1, 2003	September 1, 2023	Registered
7.	<b>ATDROX</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	892962	December 21, 1999	December 21, 2019	Registered
8.	<b>ATGROW</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229969	September 1, 2003	September 1, 2023	Registered
9.	<b>ATNOR-TZ</b> <b>ATNOR - TZ</b>	DEVICE & 5	Himanshu Zota for A to Z Pharmaceutical	892963	December 21, 1999	December 21, 2019	Registered
10.	<b>ATOCID</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229973	September 1, 2003	September 1, 2023	Registered
11.	<b>ATOCIP</b> <b>ATOCIP</b>	DEVICE& 5	Himanshu Zota for A to Z Pharmaceutical	892964	December 21, 1999	December 21, 2019	Registered
12.	<b>ATODASE</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229962	September 1, 2003	September 1, 2023	Registered
13.	<b>ATOFLOX</b> <b>ATOFLOX</b>	DEVICE & 5	Himanshu Zota for A to Z Pharmaceutical	892969	December 21, 1999	December 21, 2019	Registered
14.	<b>ATOSPAR</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229965	September 1, 2003	September 1, 2023	Registered

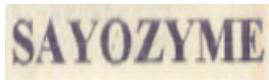
Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
15.	ATUS	WORD & 5	Himanshu Zota for A to Z Pharmaceutical	1229964	September 1, 2003	September 1, 2023	Registered
16.	AZINA <b>AZINA</b>	DEVICE & 5	Zota Health Care Ltd.	1820979	May 22, 2009	May 22, 2019	Registered
17.	AZITA 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1355983	May 9, 2005	May 9, 2015	Registered Validity Expired on May 9, 2015 Application for renewal has been filed
18.	BRAINTOZ <b>BRAINTOZ</b>	DEVICE & 5	Zota Health Care Ltd.	2236138	November 18, 2011	November 18, 2021	Registered
19.	Ceedee <b>Ceedee</b>	DEVICE & 5	Zota Health Care Ltd.	1615051	October 25, 2007	October 25, 2017	Registered
20.	CETRINA <b>CETRINA</b>	DEVICE & 5	Zota Health Care Ltd.	1762493	December 10, 2008	December 10, 2018	Registered
21.	COMBIPEN	WORD & 5	Zota Health Care Ltd.	2262869	January 7, 2012	January 7, 2022	Registered
22.	CLARITHER <b>Clarither</b>	DEVICE & 5	Zota Health Care Ltd.	2651182	December 30, 2013	December 30, 2023	Registered
23.	MARLIV <b>MARLIV</b>	DEVICE & 5	Zota Health Care Ltd.	1811018	April 24, 2009	April 24, 2019	Rectification Filed
24.	C- FURO	DEVICE & 5	Zota Health	1811019	April 24,	April 24, 2019	Registered

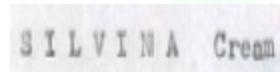
Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
	<b>C-FURO</b>		Care Ltd.		2009		
25.	<b>CINA</b>	DEVICE & 5	Sayona Medicare Private Limited	722224	October 3, 1996	October 3, 2006	Removed
26.	<b>CORPUS PHARMA</b>   (A Div. of ZOTA Health Care Ltd.)	DEVICE & 5	Zota Health Care Ltd.	1990767	July 8, 2010	July 8, 2020	Registered
27.	<b>CYCOLIV</b>	WORD & 5	Zota Health Care Ltd.	2497838	March 18, 2013	March 18, 2023	Registered
28.	<b>DAZINA</b>  	DEVICE & 5	Sayona Medicare Pvt. Ltd	1044880	September 14, 2001	September 14, 2021	Registered
29.	<b>DERMOGEM</b>   (Skin Care Division) (A Div. of ZOTA Health Care Ltd.)	DEVICE & 5	Zota Health Care Ltd.	1990771	July 8, 2010	July 8, 2020	Registered
30.	<b>DIAZED</b>  	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1111919	June 17, 2002	June 17, 2022	Registered
31.	<b>DOMAT</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceuticals	1229967	September 1, 2003	September 1, 2023	Registered
32.	<b>DOXILAN</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceuticals	1229966	September 1, 2003	September 1, 2023	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
33.	<b>EMATRIN</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	1044873	September 14, 2001	September 14, 2021	Registered
34.	<b>FALCIZED</b> 	DEVICE & 5	Zota Health Care Ltd	1762496	December 10, 2008	December 10, 2018	Registered
35.	<b>FAP</b> 	DEVICE & 5	Zota Health Care Ltd	2262870	January 7, 2012	January 7, 2022	Registered
36.	<b>FLUCOZED</b> 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1074682	January 18, 2002	January 18, 2022	Registered
37.	<b>FOLAT</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceuticals	1229970	September 1, 2003	September 1, 2023	Registered
38.	<b>GMFIT</b> 	DEVICE & 5	Zota Health Care Ltd	2026539	September 21, 2010	September 21, 2020	Registered
39.	<b>HEALTH PARK LABORATORIES</b>  (A Div. of ZOTA Health Care Ltd.)	DEVICE & 5	Zota Health Care Ltd	1990770	July 8, 2010	July 8, 2020	Registered
40.	<b>IRONA</b> 	DEVICE & 5	Zota Health Care Ltd	1762494	December 10, 2008	December 10, 2018	Registered
41.	<b>JAN PHARMACY</b> 	DEVICE & 5	Zota Health Care Ltd	2026540	September 21, 2010	September 21, 2020	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
42.	<b>LANZED</b> <b>LANZED</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1074681	January 18, 2002	January 18, 2012	Registered
43.	<b>LINOTYL</b>	WORD & 5	Zota Healthcare Ltd	2497842	March 18, 2013	March 18, 2023	Registered
44.	<b>LIVOZED</b> <b>LIVOZED</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1111915	June 17, 2002	June 17, 2022	Registered
45.	<b>LOSARZED</b>	WORD & 5	Ketanbhai Zota for Zota Pharmaceuticals	1229427	September 1, 2003	September 1, 2023	Registered
46.	<b>LUKOZED</b> <b>LUKOZED</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1111917	June 17, 2002	June 17, 2022	Registered
47.	<b>MARLINE</b>	WORD & 5	Zota Health Care Ltd	1615048	October 25, 2007	October 25, 2017	Registered
48.	<b>MEXON HEALTHCARE</b>   (A Div. of ZOTA Health Care Ltd.)	DEVICE & 5	Zota Health Care Ltd	1990769	July 8, 2010	July 8, 2020	Registered
49.	<b>MEDICOST</b>	WORD & 5	Zota Health Care Ltd	1615049	October 25, 2007	October 25, 2017	Registered
50.	<b>NIMIZ,</b> <b>NIMESULIDE TABLETS</b>  	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1355982	May 9, 2005	May 9, 2015	Registered – Renewal Application has been filed.

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
51.	<b>NIMSPAS</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd	1044876	September 14, 2001	September 14, 2021	Registered
52.	<b>ONACOF</b>	WORD & 5	Zota Health Care Ltd	1298297	July 26, 2004	July 26, 2024	Registered
53.	<b>ONACOLD</b>	WORD & 5	Zota Health Care Ltd	1298294	July 26, 2004	July 26, 2024	Registered
54.	<b>ONALIDE</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd	795299	March 17, 1998	March 17, 2018	Registered
55.	<b>ONAPLEX</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd	1044881	September 14, 2001	September 14, 2021	Registered
56.	<b>ONAZOL</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd	722223	October 3, 1996	October 3, 2006	Removed
57.	<b>ONAZOLE</b>	WORD & 5	Zota Health Care Ltd	1298296	July 26, 2004	July 26, 2024	Registered
58.	<b>PENTOAT</b>	WORD & 5	Himanshu Zota for A to Z Pharmaceuticals	1229972	September 1, 2003	September 1, 2023	Registered
59.	<b>PENTOZED</b>	WORD & 5	Ketanbhai Zota for Zota Pharmaceuticals	1229425	September 1, 2003	September 1, 2023	Registered
60.	<b>Psycho Gem</b>	WORD & 5	Zota Health Care Ltd	1615050	October 25, 2007	October 25, 2017	Registered
61.	<b>RTFIT</b> 	DEVICE & 30	Zota Health Care Ltd	1941355	March 25, 2010	March 25, 2020	Registered
62.	<b>RTFIT</b>	DEVICE & 5	Zota Health Care Ltd	1941354	March 25, 2010	March 25, 2020	Registered

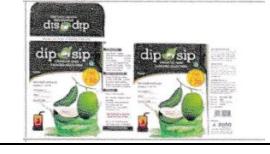
Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
							
63.	<b>SAYOCAL</b>	WORD & 5	Zota Health Care Ltd	1298299	July 26, 2004	July 26, 2024	Registered
64.	<b>SAYOCOF</b>	WORD & 5	Zota Health Care Ltd	1298298	July 26, 2004	July 26, 2024	Registered
65.	<b>SAYODROX</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	929217	June 1, 2000	June 1, 2020	Registered
66.	<b>SAYOFLOX</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	1044875	September 14, 2001	September 14, 2021	Registered
67.	<b>SAYONA</b> 	DEVICE & 5	Zota Health Care Limited	1294331	July 5, 2004	July 5, 2024	Registered
68.	<b>SAYOTAX</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	929215	June 1, 2000	June 1, 2020	Registered
69.	<b>SAYOXID</b>	WORD & 5	Zota Health Care Ltd	1298295	July 26, 2004	July 26, 2024	Registered
70.	<b>MORELAX Cream</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	781148	December 5, 1997	December 5, 2017	Registered
71.	<b>SAYOZYME</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	1044879	September 14, 2001	September 14, 2021	Registered
72.	<b>SFIT 100 DT</b>	DEVICE & 5	Zota Health Care Ltd	1354551	May 2, 2005	May 2, 2025	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
73.	<b>SILVINA Cream</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	781145	December 5, 1997	December 5, 2017	Registered
74.	<b>SIMVAZED</b>	WORD & 5	Ketanbhai Zota for Zota Pharmaceuticals	1229426	September 1, 2003	September 1, 2023	Registered
75.	<b>SPENZED</b> 	DEVICE & 5	Ketan bhai Zota for Zota Pharmaceuticals	1111918	June 17, 2002	June 17, 2022	Registered
76.	<b>SPRINGER</b>	WORD & 5	Zota Health Care Ltd	1615053	October 25, 2007	October 25, 2017	Registered
77.	<b>SONAFEN</b>	WORD & 5	Zota Health Care Ltd	2300141	March 15, 2012	March 15, 2022	Registered
78.	<b>TRAXVAR-M</b>	WORD & 5	Zota Health Care Ltd	2300147	March 15, 2012	March 15, 2022	Registered
79.	<b>TERFLOX</b>	WORD & 5	Zota Health Care Ltd	2461371	January 17, 2013	January 17, 2023	Registered
80.	<b>VET GEM</b>	WORD & 5	Zota Health Care Ltd	1615052	October 25, 2007	October 25, 2017	Registered
81.	<b>VIFEN M.R.</b>	WORD & 5	Zota Healthcare Ltd	2262874	January 7, 2012	January 7, 2022	Registered
82.	<b>VIGIZYME</b>	WORD & 5	Zota Health Care Ltd	2262875	January 7, 2012	January 7, 2022	Registered
83.	<b>VIGYL-N</b>	WORD & 5	Zota Health Care Ltd	2262876	January 7, 2012	January 7, 2022	Registered
84.	<b>VISION MEDILINK</b>  (A Div. of ZOTA Health Care Ltd.)	DEVICE & 5	Zota Health Care Ltd	2231334	November 9, 2011	November 9, 2021	Registered
85.	<b>VJ-FIX</b>	WORD & 5	Zota Health	2423088	November 5,	November 5,	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
			Care Ltd		2012	2022	
86.	<b>VZEE</b>	WORD & 5	Zota Health Care Ltd	2459296	January 12, 2013	January 12, 2023	Registered
87.	<b>VOMI</b> 	DEVICE & 5	Sayona Medicare Pvt. Ltd.	1044872	September 14, 2001	September 14, 2021	Registered
88.	<b>V LOGO</b> 	DEVICE & 5	Zota Health Care Ltd	2408838	October 9, 2012	October 9, 2022	Registered
89.	<b>YOLAZ</b>	DEVICE & 5	Sayona Medicare Pvt. Ltd.	1044878	September 14, 2001	September 14, 2021	Registered
90.	<b>ZIDROX</b>	WORD & 5	Ketanbhai Zota for Zota Pharmaceuticals	1569106	June 15, 2007	June 15, 2027	Registered
91.	<b>ZOBEX (LABEL)</b>	WORD & 5	Ketanbhai Zota for Zota Pharmaceuticals	1515924	December 22, 2006	December 22, 2026	Registered
92.	<b>ZOCLOX</b> 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	884606	November 1, 1999	November 1, 2016	Registered
93.	<b>ZOCOLD (LABEL)</b>	WORD & 5	Ketanbhai Zota for Zota Pharmaceuticals	1515923	December 22, 2006	December 22, 2026	Registered
94.	<b>ZOFEN PLUS</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	884610	November 1, 1999	November 1, 2019	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
	ZOFEN-PLUS						
95.	ZOFEX 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1074683	January 18, 2002	January 18, 2022	Registered
96.	ZOMEП 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1074673	January 18, 2002	January 18, 2022	Registered
97.	ZOMIKA 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	884603	November 1, 1999	November 1, 2019	Registered
98.	ZOMOX 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	884608	November 1, 1999	November 1, 2019	Registered
99.	ZOPILES 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1111916	June 17, 2002	June 17, 2022	Registered
100.	ZOTA	WORD & 5	Zota Health Care Pvt. Ltd	1074670	January 18, 2002	-	Advertised bef acc
101.	ZOTA 	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	884599	November 1, 1999	-	Opposed
102.	ZOTA 	DEVICE & 30	Zota Health Care Ltd	1948487	April 9, 2010	April 9, 2020	Registered
103.	ZOTA	DEVICE & 31	Zota Health Care Ltd	1948488	April 9, 2010	April 9, 2020	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
	<b>ZOTA</b>						
104.	<b>ZOTA</b> <b>ZOTA</b>	DEVICE & 5	Zota Health Care Ltd	1948486	April 9, 2010	April 9, 2020	Registered
105.	<b>ZOTA</b> <b>ZOTA</b>	DEVICE & 35	Zota Health Care Ltd	1948489	April 9, 2010	April 9, 2020	Registered
106.	<b>ZOTAFLOX</b> <b>ZOTAFLOX</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceutical	1074672	January 18, 2002	January 18, 2022	Registered
107.	<b>ZOTAXIME</b> <b>ZOTAXIME</b>	DEVICE & 5	Zota Healthcare Ltd	1762497	December 10, 2008	December 10, 2018	Registered
108.	<b>ZYDOME</b> <b>ZYDOME</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceutical	1074671	January 18, 2002	January 18, 2022	Registered
109.	<b>ZYNTUS</b> <b>ZYNTUS</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceutical	1074676	January 18, 2002	January 18, 2022	Registered
110.	<b>ZYPRO</b> <b>ZYPRO</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1569107	June 15, 2007	June 15, 2027	Registered
111.	<b>ZOBEND (LABEL)</b>	WORD & 5	Ketankumar Zota for Zota Pharmaceuticals	1515922	December 22, 2006	December 22, 2026	Registered
112.	<b>ZYTONE</b> <b>ZYTONE</b>	DEVICE & 5	Ketanbhai Zota for Zota Pharmaceuticals	1569108	June 15, 2007	June 15, 2027	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
113.	<b>DIP-SIP</b> 	DEVICE & 5	Zota Health Care Limited	3302198	July 4, 2016	-	Advertised bef acc
114.	<b>DIP-SIP</b> 	DEVICE & 30	Zota Health Care Limited	3302199	July 4, 2016	-	Formalities Chk Fail
115.	<b>DIP-SIP</b> 	DEVICE & 32	Zota Health Care Limited	3302200	July 4, 2016	-	Objected
116.	<b>SECURE HEALTH CARE</b>	WORD & 35	Zota Health Care Limited	3377442	September 30, 2016	-	Objected
117.	<b>MEDICOF</b>	WORD & 5	Zota Health Care Limited	2262872	January 07, 2012	January 07, 2022	Registered
118.	<b>CİFİVAR</b>	WORD & 5	Zota Health Care Limited	2423089	November 05, 2012	November 05, 2022	Registered
119.	<b>AZİVAR</b>	WORD & 5	Zota Health Care Limited	2423090	November 05, 2012	November 05, 2022	Registered
120.	<b>SUCRINA</b>	WORD & 5	Zota Health Care Limited	2423087	November 05, 2012	November 05, 2022	Registered

Sr. No.	Trademark	Trademark Type& Class	Applicant	Trademark Application No.	Date of Application	Valid/ Renewed upto	Registration status
121.	ZOTA	DEVICE & 99	Zota Health Care Limited	1948490	April 09, 2010	April 09, 2020	Registered

Company confirms that no other applications have been made nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

#### PENDING APPROVALS:

- 1) Pending patents as mentioned in the Copyrights and Patents Table above.
- 2) The Company has applied for 3 Copyright Labels under Section 45 of the Copyright Act, 1957 having the names, DIP-SIP, RTFIT and Zota Healthcare Ltd.
- 3) Transfer of trademarks from 'Zota Pharmaceuticals' and 'A to Z Pharmaceuticals' in the name of 'Zota Health Care Limited'
- 4) Renewal Application of Trademark Number 1355982 and 1355983 is pending for renewal with the Authority.
- 5) Restoration Application of Patent Number 266908 is pending for restoration with the Authority.

#### MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

- 1) Trademark Registration Status of application for TM 884599 is currently opposed and for TM 722224 and TM 722223 are removed. Further, Status of TM 3302200 and TM 3377442 is "OBJECTED". Status of TM 1811018 is "RECTIFICATION FILED". Status of TM 1074670 and TM 3302198 is "ADVERTISED BEF ACC" Status of TM 3302199 is "FORMALITIES CHK FAIL" No further procedure has been undertaken for the same.
- 2) Renewal of Certificate of Registration of International Standards Certifications (ISO 9001:2008 Certification)

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 25, 2016 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on August 27, 2016. Further, the Company has taken on record the approval of the Offer for Sale by the Selling Shareholders vide their authorization letter dated September 10, 2016.

For details on the authorizations of the Selling Shareholders in relation to the Offer, please refer "The Offer" on page 72 of this Red Herring Prospectus.

We have received in-principle approval from the Stock Exchange for the listing of our Equity Shares pursuant to letter no March 08, 2017 dated NSE/LIST/106579.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors, our Promoter Group and natural persons behind our promoters, 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 Promoter, our Directors or persons in control of our Company are / were associated as promoter, directors or persons in control 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.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### PROHIBITION BY RBI

Neither our Company, our Directors, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India for listing of our Equity Shares.

#### We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLMs will underwrite at least 15 per cent of the total issue size. For further details pertaining to underwriting please refer to chapter titled "*General Information*" beginning on page 74 of this Red Herring Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from eight working days, be liable to repay such application money, with interest as prescribed under section 40 of Companies Act, 2013 and SEBI (ICDR) Regulations.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Managers submit the copy of Red Herring Prospectus

along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the BRLMs will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "*General Information*" beginning on page 74 of this Red Herring Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and
6. Net-worth of the company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website [www.zotahealthcare.com](http://www.zotahealthcare.com)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA 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 THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGERS, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND INDIAN OVERSEAS BANK HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 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 AND SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGERS, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND INDIAN OVERSEAS BANK, 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 BOOK RUNNING LEAD MANAGERS, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND INDIAN OVERSEAS BANK, HAVE FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE**

**OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992**

**"WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, 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 ISSUER, WE CONFIRM THAT:**
  - A. THE RED HERRING PROSPECTUS FILED WITH THE BOARD 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 BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE 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 COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAVE BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY**

COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. 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 ISSUER 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 ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER 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 TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF 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 RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC OFFER SHALL BE IN DEMAT FORM ONLY
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO

**ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE**

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)**
- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**
- 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 REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE RED HERRING PROSPECTUS.**

**ADDITIONAL CONFIRMATIONS / CERTIFICATION TO BE GIVEN BY MERCHANT BANKERS IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - NOTED FOR COMPLIANCE**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORY FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS.**

**(6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Note:**

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Ahmedabad in terms of Section 26 and 32 of the Companies Act 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY, THE SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGERS**

Our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.zotahealthcare.com](http://www.zotahealthcare.com), would be doing so at his or her own risk.

**Caution**

The Book Running Lead Managers accepts no responsibility, save to the limited extent as provided in the Agreement for offer management entered into among the Book Running Lead Managers and our Company and the Selling Shareholders dated September 12, 2016, the Underwriting Agreement dated September 12, 2016 entered into among the Underwriter and our Company and the Market Making Agreement dated January 09, 2017 entered into among the Market Maker(s), Book Running Lead Managers and our Company.

Our Company, the Selling Shareholders and the Book Running Lead Managers shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, *etc.*

The Book Running Lead Managers and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company, Selling Shareholders and their associates in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited and Indian Overseas Bank are not 'associates' of the Company and are eligible as Book Running Lead Managers to this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in this Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the 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 Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholders and the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS

For details regarding the price information and track record of the past issues handled by Pantomath Capital Advisors Private Limited and Indian Overseas Bank, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Red Herring Prospectus and the website of Book Running Lead Managers at [www.pantomathgroup.com](http://www.pantomathgroup.com) and [www.iob.in](http://www.iob.in).

## DISCLAIMER IN RESPECT OF JURISDICTION

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized 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 authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The 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 Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Surat, Gujarat only

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with National Stock Exchange of India for its observations and National Stock Exchange of India shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India

## DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. NSE/LIST/106579 dated March 08, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting

the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”

## FILING

The Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M)(3). However, a copy of the Red Herring Prospectus have been filed with SEBI at the SEBI Western Regional Office, Western Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009, Gujarat, India. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, Gujarat, India.

## LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from Emerge Platform of National Stock Exchange of India. However application will be made to the Emerge Platform of National Stock Exchange of India for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of National Stock Exchange of India has given its in-principal approval for using its name in our Draft Red Herring Prospectus vide its letter No. March 08, 2017 dated NSE/LIST/106579.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of NSE, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within eight working days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from such expiry of eight working days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India mentioned above are taken within six Working Days from the Offer Closing Date. Further, the Selling Shareholder confirms that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India where the Equity Shares are proposed to be listed within six working days of the Offer closing date.

## CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Selling Shareholders, the Company Secretary & Compliance Officer, Chief Financial Officer, the Statutory Auditors, the Peer Reviewed Auditors, the Banker to the Company; and (b) Book Running Lead managers, Underwriters, Market

Makers, Registrar to the Offer, Banker(s) to the Offer, Legal Advisor to the Offer, Syndicate Member to the Offer to act in their respective capacities have been obtained and is filed along with a copy of the Prospectus with the RoC, as required under sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus / Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC

## **EXPERT TO THE OFFER**

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits.
- Report of the Peer Reviewed Auditor on Restated Financials Statements

## **EXPENSES OF THE OFFER**

The expenses of this Offer include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses. For details of total expenses of the Offer, refer to chapter "*Objects of the Offer*" beginning on page 110 of this Red Herring Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Book Running Lead Managers**

The total fees payable to the Book Running Lead Managers will be as per the Mandate Letter issued by our Company to the Book Running Lead Managers, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer will be as per the Agreement signed by our Company and the Registrar to the Offer dated September 13, 2016 a copy of which is available for inspection at our Registered Office. 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 by the Company to the Registrar to the Offer to enable them to send refund orders or allotment advice by registered post / speed post / under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the legal advisors, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Offer is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Managers. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2013

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and/or public issues since Incorporation, and are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 85 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

As on date of this Red Herring Prospectus, our Company does not have any group Company or any other Company under the same management as mentioned above.

### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds/refund orders to enable the investors to approach the Registrar to this Offer for redressal of their grievances. All grievances relating to this Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidder.

### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 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.

We have reconstituted the Shareholders Relationship Committee / Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on September 10, 2016. For further details, please refer to the chapter titled “*Our Management*” beginning on page 192 of this Red Herring Prospectus.

Our Company has appointed Ashvin Variya as Company Secretary & Compliance Officer and he may be contacted at the following address:

**Ashvin Variya**

**Zota Health Care Limited**

Zota House, 2/896 Hira Modi Street,  
Sagrampura, Surat-395002,  
Gujarat, India

**Tel:** +91 261 2331601

**Fax No.:** +91 261 2346415

**Email:** [cszota@zotahealthcare.com](mailto:cszota@zotahealthcare.com)

**Website:** [www.zotahealthcare.com](http://www.zotahealthcare.com)

Investors can contact the Company Secretary & Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

### **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

There are no changes in Auditors during last three financial years.

### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 85 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

### **PURCHASE OF PROPERTY**

Other than as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus. Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## SECTION VII – OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, the Prospectus, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the 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 offered from time to time by SEBI, the Government of India, the FIPB, the Stock Exchanges, 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 SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Offer and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Offer and DPs as and when the same is made available.

### OFFER FOR SALE

The Offer comprises of a fresh issue and Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

### RANKING OF EQUITY SHARES

The Equity Shares being offered, issued and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allotees upon receipt of Allotment of Equity Shares under this Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 434 of this Red herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 213 of this Red herring Prospectus.

## FACE VALUE AND OFFER PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Offer Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in all edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard and the Gujarati newspaper Dhabkar, 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 SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled "*Main Provisions of Articles of Association*" beginning on page no. 434 of this Red Herring Prospectus.

## MINIMUM APPLICATION VALUE, 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 March 04, 2016 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated February 24, 2016 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

## MINIMUM NUMBER OF ALLOTTEES

Further in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by SCSBs shall be unblocked within 4 days of closure of offer.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole applicant, or the first applicant along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, 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 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 Registered 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the 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 in consultation with the Selling Shareholders and the BRLMs, reserve the right to not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers 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, this 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 and the Selling Shareholders withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

### BID/ OFFER OPENING DATE

Bid / Offer Opening Date	Thursday, April 27, 2017
Bid / Offer Closing Date	Tuesday, May 02, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	Friday, May 05, 2017
Initiation of Refunds	Monday, May 08, 2017
Credit of Equity Shares to demat accounts of Allottees	Tuesday, May 09, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	Thursday, May 11, 2017

The above timetable is indicative and does not constitute any obligation on our Company, 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 Exchange are taken within 6 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLM 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.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Offer Period. On the Bid/Offer Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Managers to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Offer Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. 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 on Business Days. Neither our Company nor the Selling Shareholders nor the Book Running Lead Managers is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Offer Period will be extended for at least three additional working days after revision of 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 Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Offer shall ask for rectified data

## MINIMUM SUBSCRIPTION

This Offer is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of National Stock Exchange of India from NSE EMERGE on a later date subject to the following:

- a. **If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issuuue, bonus issueetc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.**

*OR*

- b. **If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.**

## MARKET MAKING

The shares issued and transferred through this Offer are proposed to be listed on the EMERGE Platform of National Stock Exchange of India (SME Exchange) with compulsory market making through the registered Market Maker of the EMERGE Platform of National Stock Exchange of India for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on EMERGE Platform of National Stock Exchange of India. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 74 of this Red Herring Prospectus.

## ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of National Stock Exchange of India.

## AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS OFFER

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

**OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

**NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

**APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Offer Equity Shares and Promoter's minimum contribution in the Offer as detailed in the chapter "*Capital Structure*" beginning on page 85 of this Red herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 434 of this Red Herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Managers are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees, but does not exceed twenty five crore rupees. The Company shall offer specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of National Stock Exchange of India). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Offer*" and "*Offer Procedure*" on page 370 and 380 of this Red Herring Prospectus.

### **Following is the offer structure:**

Initial Public Offer of up to 46,80,000 Equity Shares for cash at price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●] comprising of Fresh Issue of up to 31,80,000 Equity Shares aggregating up to Rs. [●] Lakhs by our Company, Offer of Sale of up to 15,00,000 Equity Shares aggregating up to Rs. [●] by the Selling Shareholders. The Offer comprises a net offer to the public of up to [●] Equity Shares (the "Net Offer"). The Offer will constitute 26.68 % of the post-Offer paid-up Equity Share capital of our Company and the Net Offer will constitute 25.32 % of the post-Offer paid-up Equity Share capital of our Company.

The offer comprises a reservation of upto 2,38,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Net offer to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	44,42,000 Equity Shares	2,38,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.91 % of Issue Size	5.09 % of Issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled " <i>Offer Procedure</i> " on page 380 of the Red Herring Prospectus	Firm allotment
<b>Mode of Bid cum Application</b>	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process)	Through ASBA Process only
<b>Minimum Bid Size</b>	<p><b>For QIB and NII</b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000</p> <p><b>For Retail Individual</b></p> <p>[●] Equity shares</p>	[●] Equity Shares
<b>Maximum Bid Size</b>	<p><b>For Other than Retail Individual Investors:</b></p> <p>For all other investors the maximum application size is the Net Issue to</p>	Equity Shares of Face Value of Rs 10 each

Particulars	Net offer to Public*	Market Maker Reservation Portion
	public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable.  <b>For Retail Individuals:</b> [●] Equity Shares	
<b>Mode of Allotment</b>	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
<b>Terms of payment</b>	The entire Bid Amount will be payable at the time of submission of the Bid Form	

\*allocation in the net offer to public category shall be made as follows:

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

- <sup>(1)</sup> In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

### WITHDRAWAL OF THE OFFER

Our Company in consultation with the Selling Shareholders and the BRLMs, reserve the right to not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers 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, this 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 and the Selling Shareholders withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

**BID/ OFFER OPENING DATE**

<b>Bid / Offer Opening Date</b>	Thursday, April 27, 2017
<b>Bid / Offer Closing Date</b>	Tuesday, May 02, 2017
<b>Finalisation of Basis of Allotment with the Designated Stock Exchange</b>	Friday, May 05, 2017
<b>Initiation of Refunds</b>	Monday, May 08, 2017
<b>Credit of Equity Shares to demat accounts of Allottees</b>	Tuesday, May 09, 2017
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	Thursday, May 11, 2017

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document"), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMSs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholders and the BRLMSs 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 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 Red Herring Prospectus

Please note that all the Bidders can participate in the Offer only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Offer and Share Transfer Agent ("RTA") that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on [www.nseindia.com](http://www.nseindia.com) For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned National Stock Exchange of India Limited website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application forms.

## BOOK BUILDING PROCEDURE

The Offer is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein at least 50% of the Net Offer to Public is being offered to the Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Bidders. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Offer Price.

Subject to the valid Bids being received at or above the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on

a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

### **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMS, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date. All Bidders 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 Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected

The prescribed colour of the Bid Cum Application Form for 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 and Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA )	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)

- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

## WHO CAN BID?

In addition to the category of Bidders set forth under "***General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Offer***", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### a) For Retail Individual Bidders:

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 Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

### b) For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Offer Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Offer shall not be made public during the Offer Period. In case of revision in Bid, the Non-Institutional

Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

## INFORMATION FOR THE BIDDERS

- a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Offer advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Offer advertisement, our Company and the Book Running Lead Manager shall advertise the Offer Opening Date, the Offer Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c. The Price Band as decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Offer Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum application forms available on the websites of the stock exchanges.
- e. The Offer Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Offer Period shall be extended, by an additional three Working Days, subject to the total Offer Period not exceeding ten Working Days. The revised Price Band and Offer Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

## OPTION TO SUBSCRIBE IN THE OFFER

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

## AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMS, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

## PARTICIPATION BY ASSOCIATED/AFFILIATES OF LEAD MANAGERS AND SYNDICATE MEMBERS

The BRLMS and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMS and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category 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.

## APPLICATIONS BY ELIGIBLE NRI'S

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMSs and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

## BIDS BY FPI INCLUDING FIIS

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is 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. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the offer 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 10.00% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% 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 sectorial 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 an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio 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 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized 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.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

### **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. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs 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 corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Selling Shareholders or the BRLMS will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

### **BIDS BY MUTUAL FUNDS**

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the

scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **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. Limited liability partnerships can participate in the Offer only through the ASBA process.

### **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 and the Selling Shareholders reserves the right to reject any Bid by Insurance Companies 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:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) 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
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged 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 reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a

certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

d) With respect to 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

e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMS may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.**

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY**

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 and the Selling Shareholders reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company 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 Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

## ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMS or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

## TERMS OF PAYMENT

### Terms of Payment

The entire Offer price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the offer shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Offer Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Offer Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions offered by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Offer shall mandatorily make use of ASBA facility.

## SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting agreement dated September 12, 2016.
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act, 2013 and section 26 of the Companies Act, 2013.

## 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 Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

## ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## GENERAL INSTRUCTIONS

*Do's:*

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

*Don'ts:*

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
  5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
  6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
  7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
  8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
  9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
  10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
  11. Do not submit the General Index Register number instead of the PAN;
  12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
  13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
  14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
  15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
  16. Do not submit more than five Bid cum Application Forms per ASBA Account;
- 2) The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company and the Selling Shareholders, in consultation with the BRLMS, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company and the Selling Shareholders, in consultation with the BRLMS, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## COMMUNICATIONS

All future communications in connection with Bids made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## IMPERSONATION

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“Any person who—*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

## UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed within six working days from Offer Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;;
4. That our Promoter's contribution in full has already been brought in;
5. That no further offer of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Offer after the Bid/Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;

9. 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. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

### **UNDERTAKING BY THE SELLING SHAREHOLDER**

Each Selling Shareholder severally undertakes that:

- 1) it shall deposit its Equity Shares offered in the Offer in an escrow account opened with the [●] at least one Working Day prior to the Bid/Offer Opening Date;
- 2) it shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- 3) it shall take all steps and provide all assistance to our Company and the BRLMSs, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;
- 4) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
- 5) it shall ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful Bidders within the time specified under applicable law; and
- 6) it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.
- 7) It is the legal and beneficial owner of, and has full title to their respective portion of the Offered Shares in the Offer;

### **UTILIZATION OF THE OFFER PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Fresh issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Offer.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

Further the Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale 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.

## **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated March 04, 2016 among NSDL, the Company and the Registrar to the Offer;
- b. Agreement dated February 24, 2016 among CDSL, the Company and the Registrar to the Offer;

The Company's shares bear ISIN no INE358U01012.

## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

*This General Information Document highlights the key rules, processes and procedures applicable to public offers in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders 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 should rely on their own examination of the Offer and the Issuer, and should carefully read the Red Herring prospectus before investing in the Offer.*

### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders in IPOs, 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 should note that investment in equity and equity related securities involves risk and Bidder 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 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 BRLMS(s) to the Offer and on the website of Securities and Exchange Board of India ("SEBI") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section "Glossary and Abbreviations".

### **SECTION 2: BRIEF INTRODUCTION TO IPOs ON EMERGE Platform of NATIONAL STOCK EXCHANGE OF INDIA LIMITED (SME PLATFORM)**

#### **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, if applicable. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Offer being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

## **2.2 OTHER ELIGIBILITY REQUIREMENTS**

In addition to the eligibility requirements specified in paragraphs 2.1, an issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLMs have to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLMS has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of at least 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations

6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

## **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 issues**”) or undertake a Fixed Price Issue (“**Fixed Price Issues**”). An issuer may mention Floor Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the Red Herring 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/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Offer advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.3 ISSUE PERIOD**

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders) and not more than ten Working Days. Bidders are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Offer Period. Details of Offer Period are also available on the website of 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 BRLM, and the advertisement in the newspaper(s) issued in this regard

### **2.4 MIGRATION TO MAIN BOARD**

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) **If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to**

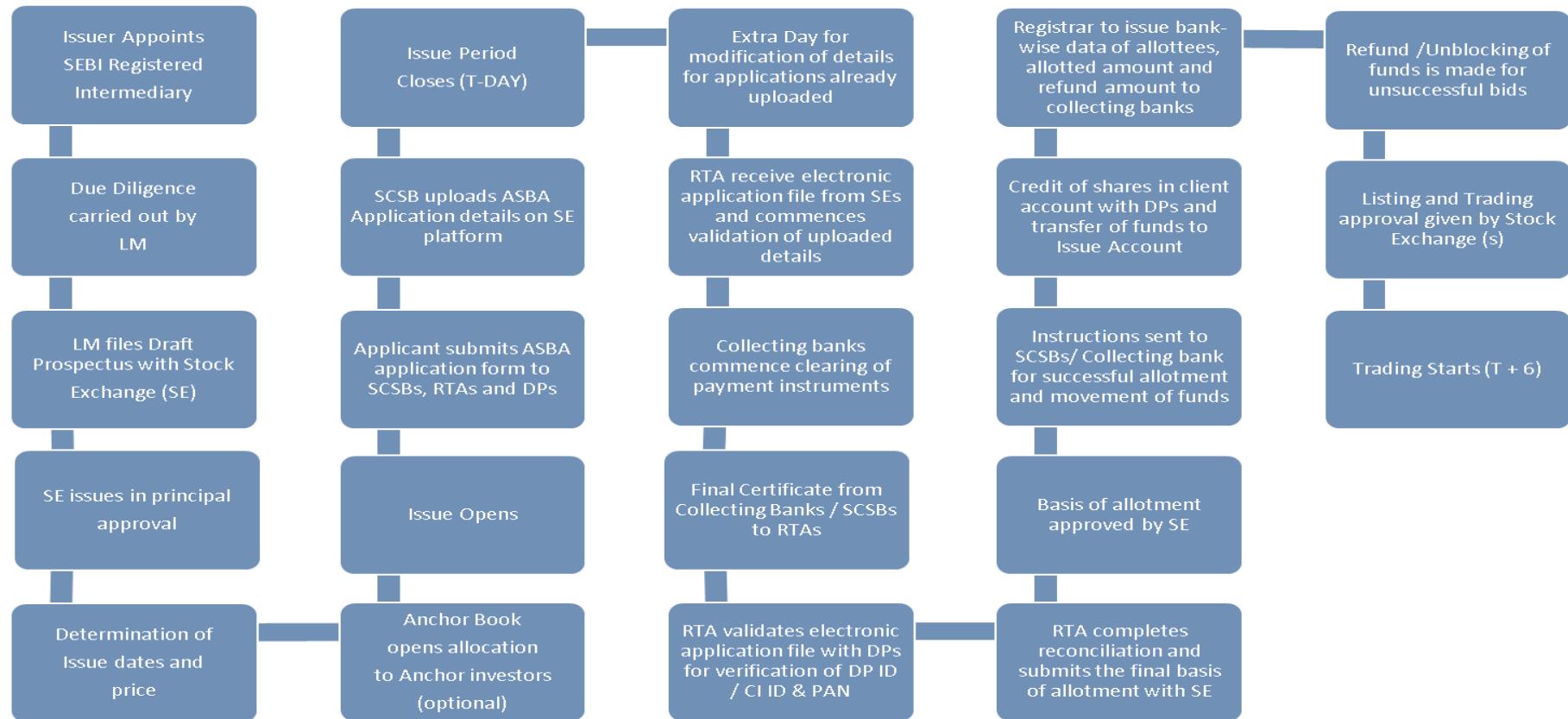
the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 2.5 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



### **SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER**

**Each Bidders should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders , such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Offer.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the book running lead manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs 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

Bidders should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of the Bid cum Application Form (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the DRHP 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:

## R Bid cum Application Form

COMMON BID REVISION FORM	<b>ZOTA HEALTH CARE LIMITED - INITIAL PUBLIC ISSUE - R</b> Regd. Off. : Zota House, 2896 Hira Modi Street, Sagarpura, Surat-395002, Gujarat, India. Tel. No.: +91 261 2331601; Fax No.: +91 261 2346415, E-mail: info@zotahalthcare.com; Website: www.zotahalthcare.com, CIN: U24231GJ2009PLC03852				FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS		
 To, The Board of Directors ZOTA HEALTH CARE LIMITED		<b>BOOK BUILT OFFER</b> ISIN - INE358U01012	<b>Bid Cum Application Form No.</b>				
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>		<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>					
<b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>		<b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b>					
<b>BANK BRANCH SERIAL NO.</b>		<b>SCSB SERIAL NO.</b>					
<b>PLEASE CHANGE MY BID</b>							
<b>4. FROM (AS PER LAST BID OR REVISION)</b>							
<b>Bid Options</b>		<b>No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)</b>		<b>Price per Equity Share (₹) / "Cut-off" (In Figures)</b>			
		8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1		
Option 1					<input type="checkbox"/>		
(OR) Option 2					<input type="checkbox"/>		
(OR) Option 3					<input type="checkbox"/>		
<b>5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")</b>							
<b>Bid Options</b>		<b>No. of Equity Shares Bid (In Figures). (Bids must be in multiples of Bid Lot as advertised)</b>		<b>Price per Equity Share (₹) / "Cut-off" (In Figures)</b>			
		8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1		
Option 1					<input type="checkbox"/>		
(OR) Option 2					<input type="checkbox"/>		
(OR) Option 3					<input type="checkbox"/>		
<b>6. PAYMENT DETAILS</b>			<b>PAYMENT OPTION : Full Payment</b>				
Additional Amount Paid (₹ in Figures)			₹ in words				
ASBA Bank A/c No.			_____				
Bank Name & Branch			_____				
<small>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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("OID") 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.</small>							
<b>7 A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer</small>		<b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>			
Date: ..... 2017		1) 2) 3)		_____			
<b>TEAR HERE</b>							
 ZOTA HEALTH CARE LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		<b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b>		<b>Bid Cum Application Form No.</b>			
PAN of Sole / First Bidder							
DPID / CLID: _____							
Additional Amount Blocked (₹ in figures)			ASBA A/c. No.				
Bank & Branch							
Received from Mr./Ms.							
Telephone / Mobile		Email		<b>Stamp &amp; Signature of SCSB Branch</b>			
<b>TEAR HERE</b>							
 ZOTA HEALTH CARE LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		<b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA</b>		<b>Name of Sole / First Bidder</b>			
No. of Equity Shares		Option 1	Option 2	Option 3	<b>Acknowledgment Slip for Bidder</b>		
Bid Price					<b>Bid Cum Application Form No.</b>		
Additional Amount Blocked (₹)						<b>TEAR HERE</b>	
ASBA Bank A/c No.						<b>TEAR HERE</b>	
Bank & Branch						<b>TEAR HERE</b>	

## NR Bid cum Application Form

<span style="font-size: 2em; color: #0070C0;">X</span> <b>TEAR HERE</b>	<b>COMMON BID CUM APPLICATION FORM</b>	<p style="text-align: center;"><b>ZOTA HEALTH CARE LIMITED - INITIAL PUBLIC ISSUE - NR</b></p> <p style="text-align: center;">Regd. Off.: Zota House, 2/896 Hira Modi Street, Sagarpura, Surat-395002, Gujarat, India. Tel. No.: +91 261 2331601; Fax No.: +91 261 2346413; E-mail: info@zotahc.com, Website: www.zotahc.com, CIN: U24231GJ2000FLC038352</p>																					
		<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FII's FPI's OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS</b>																					
<span style="font-size: 2em; color: #0070C0;">X</span> <b>TEAR HERE</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: left; padding: 2px;">  To, <b>The Board of Directors</b> <b>ZOTA HEALTH CARE LIMITED</b> </td> <td style="width: 20%; text-align: center; padding: 2px;"> <b>BOOK BUILT OFFER</b>   <input style="width: 100%; height: 15px; border: 1px solid black; margin-bottom: 2px;" type="text"/> <b>ISIN -</b>   <input type="checkbox"/> </td> <td style="width: 60%; text-align: right; padding: 2px;"> <b>Bid Cum Application Form No.</b> <input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/> </td> </tr> </table>			 To, <b>The Board of Directors</b> <b>ZOTA HEALTH CARE LIMITED</b>	<b>BOOK BUILT OFFER</b>  <input style="width: 100%; height: 15px; border: 1px solid black; margin-bottom: 2px;" type="text"/> <b>ISIN -</b>  <input type="checkbox"/>	<b>Bid Cum Application Form No.</b> <input style="width: 100%; height: 15px; border: 1px solid black;" type="text"/>																	
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#### **4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER**

- a) Bidders 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 should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders 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 members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- **makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or**
- **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**
- **otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,**

*Shall be liable for action under section 447 of the said Act.*

- e) **Nomination Facility to Bidder:** 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 should inform their respective DP.

#### **4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER**

- a) PAN (of the sole/first Bidder) 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 on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form Form, irrespective of the Bid Amount. Bids by the Bidders 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 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 by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS**

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum 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) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the offer.
- d) Bidder 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’ 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 DRHP 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 undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- c) **Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.**
- d) Minimum Bid Value and Bid Lot: The Issuer in consultation with the BRLMSs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by

an Issuer on basis of such minimum Bid value.

- e) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the DRHP 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 Investors, 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 Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 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), and then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 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. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 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 Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the issue size.
  - i. The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
  - ii. 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 issue Price, the number of Equity Shares Bid for by a Bidder at or

above the issue 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.

#### **4.1.4.2 Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker 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 Portion.

#### **4.1.5 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 Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

#### **4.1.6 INVESTOR STATUS**

- (a) Each Bidder 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 Bidder, 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 are requested to refer to the Red Herring Prospectus for more details.
- (c) Bidders 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 should ensure that their investor status is updated in the Depository records.

#### **4.1.5 FIELD 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 Bid cum Application Form. If discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the DRHP 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) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- (d) All Bidders can participate in the Offer only through the ASBA mechanism.
- (e) Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.5.1 Payment instructions for Bidders**

- (a) Bidders may submit the ASBA Form either
- (b) 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
- (c) in physical mode to any Designated Intermediary.
- (d) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (e) 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.
- (f) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (g) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- (h) Bidders should submit the Bid cum Application Form only at the Bidding Centre 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

- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.
- (n) 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
- (o) 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 Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (p) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **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 Bids transfer the requisite money to the Public Offer 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 Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer 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 Offer 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.
- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the

Bid/Offer Closing Date.

#### **4.1.5.2 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.5.3 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

### **4.1.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders 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., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum 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.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

### **4.1.7 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bid made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the
  - ii. Offer.
  - iii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - iv. Bidders may contact the Company Secretary and Compliance Officer or BRLMS(s) in case of any other complaints in relation to the Offer.
  - v. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - vi. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
  - vii. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
  - viii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.

- (c) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
  - ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Offer period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

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:

## Revision Form – R

<b>COMMON BID REVISION FORM</b>	<b>ZOTA HEALTH CARE LIMITED - INITIAL PUBLIC ISSUE - R</b> Regd. Off. : Zota House, 2/896 Hiru Modli Street, Sagrampura, Surat-395002, Gujarat, India. Tel. No.: +91 261 2331601; Fax No.: +91 261 2346415; E-mail: info@zotahc.com; Website: www.zotahc.com, CIN: U24231GJ2000PLC038352		FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS	
 To, The Board of Directors <b>ZOTA HEALTH CARE LIMITED</b>		<b>BOOK BUILT OFFER</b> ISIN - INE358U01012	Bid Cum Application Form No.	
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>		<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>		
<input type="checkbox"/> SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		ESCROW BANK / SCSB BRANCH STAMP & CODE		
<input type="checkbox"/> BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		
<b>PLEASE CHANGE MY BID</b>				
<b>4. FROM (AS PER LAST BID OR REVISION)</b>				
<b>Bid Options</b>	<b>No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (in Figures)</b>			
	Bid Price	Retail Discount, if any	Net Price	<b>"Cut-off"</b> (Please ✓ tick)
Option 1	8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1
(OR) Option 2	8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1
(OR) Option 3	8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1
<b>5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-off")</b>				
<b>Bid Options</b>	<b>No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</b>			
	Bid Price	Retail Discount, if any	Net Price	<b>"Cut-off"</b> (Please ✓ tick)
Option 1	8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1
(OR) Option 2	8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1
(OR) Option 3	8   7   6   5   4   3   2   1	4   3   2   1	3   2   1	4   3   2   1
<b>6. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : Full Payment <input type="checkbox"/></b>		
Additional Amount Paid (₹ in Figures) _____ (₹ in words) _____				
ASBA Bank A/c No. _____				
Bank Name & Branch _____				
_____				
<small>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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("OID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF.</small> <small>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.</small>				
<b>7 A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer</small>		
Date: ..... , 2017		1) 2) 3)		
<small>TEAR HERE</small>				
 <b>ZOTA HEALTH CARE LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>		Acknowledgement Slip for Syndicate Member Broker / SCSB / CDP / RTA		
Bid Cum Application Form No.				
PAN of Sole / First Bidder				
EPID / CLID _____				
Additional Amount Blocked (₹ in figures)		ASBA A/c. No.		
Bank & Branch _____				
Received from Mr./Ms. Telephone / Mobile _____ Email _____				
<small>TEAR HERE</small>				
<small>ZOTA HEALTH CARE LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</small>		Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA		
No. of Equity Shares		Name of Sole / First Bidder		
Bid Price		Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA		
Additional Amount Blocked (₹)		Name of Sole / First Bidder		
ASBA Bank A/c No.: _____				
Bank & Branch: _____				
<b>Acknowledgment Slip for Bidder</b>				
Bid Cum Application Form No.				



#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders 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 number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) **In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.**
- (c) **In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.**
- (d) **In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.**
- (e) **In case of a downward revision in the Price Band, RIIs 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 in case of Bidders.**

#### 4.2.3 PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. 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) Bidder may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder 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 Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM

#### 4.3.1 Bidders may submit completed Bid cum application form / Revision Form in the following manner:-

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

### SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

### SECTION 6- 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.

## **6.1 SUBMISSION OF BIDS**

- a) During the Bid/Offer Period, Bidders 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 (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders 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 are requested to refer to the DRHP.

## **6.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## **6.3 BUILD UP OF THE BOOK**

- a) Bids received from various Bidders 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 BRLMSs 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.

## **6.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

- b) The BRLMSs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMSs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

## GROUNDS OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids 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.
- Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders 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 DRHP. For details in relation to allocation, the Bidder may refer to the DRHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMSs 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 may refer to the DRHP.
- 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 Rs.20 to Rs 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
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 Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMSs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

## SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Offer.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the Emerge Platform of National Stock Exchange (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - i. Each successful Bidder shall be allotted [●] equity shares; and
  - ii. The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for

**proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [•] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.**

- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
- i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual bidders other than retail individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Offer Account with the Bankers to the Offer.
- (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 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 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) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Offer Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Offer Account on the Designated Date.**

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of

the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 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 Red Hering Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Hering Prospectus/ Prospectus with which the Basis of Allotment may 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 Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days 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 eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Hering Prospectus/ Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Offer through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allotees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 MODE OF REFUND**

Within 6 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

### **8.3.1 Mode of making refunds**

The Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Offer.

## **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 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
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful 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.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ASBA Form	An application from, 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.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Surat and Ahmedabad
Banker(s) to the Offer	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public offer Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled “Offer Procedure” beginning on page 380 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked

Term	Description
	in the ASBA Account upon submission of the Bid in the Offer
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Offer Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in All edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard, and Surat edition of the Gujarati newspaper Dhabkar, each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in All edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard, and Surat edition of the Gujarati newspaper Dhabkar, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period cum Application form	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/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 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 BRLMSs	The book running lead managers to the Offer namely Pantomath capital Advisors Private Limited and Indian Overseas Bank
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred , after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted

<b>Term</b>	<b>Description</b>
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, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLMSs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Offer
Designated Locations	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and

<b>Term</b>	<b>Description</b>
	updated from time to time
Designated Exchange	Stock The designated stock exchange as disclosed in the Red herring prospectus/ Prospectus of the issuer
Designated Locations	CDP Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated November 18, 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
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 DRHP
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole 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
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, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted
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
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion)

Term	Description
	available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid cum Application Form
<b>NEFT</b>	National Electronic Fund Transfer
<b>NRE Account</b>	Non-Resident External Account
<b>NRI</b>	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 DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
<b>NRO Account</b>	Non-Resident Ordinary Account
<b>Net Offer</b>	The Offer less reservation portion
<b>Non-Institutional Investors or NIIs</b>	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)
<b>Non-Institutional Category</b>	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
<b>Non-Resident</b>	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
<b>OCB/Overseas Corporate Body</b>	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
<b>Offer</b>	The initial public offer of up to 46,80,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] comprising the Fresh Issue and the Offer for Sale of Rs. [●] and [●] respectively.
<b>Offer for Sale</b>	The offer for sale of up to 15,00,000 Equity Shares aggregating up to Rs.[●] by the Selling Shareholders at the Offer Price in terms of the Red Herring Prospectus, consisting of offered shares by Manukant Zota, Varshaben Zota, Ketankumar Chandulal Zota (HUF) and Manisha Zota. For further details in relation to Selling Shareholders, see “The Offer” on page 72
<b>Other Investors</b>	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 and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
<b>Offer Price</b>	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMSs on the Pricing Date in accordance with the Book-Building Process and the Red

<b>Term</b>	<b>Description</b>
	Herring Prospectus
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	<p>Price band of a minimum price of Rs.[●] per Equity Share (Floor Price) and the maximum price of Rs.[●] per Equity Share (Cap Price) including revisions thereof.</p> <p>The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMSs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in all edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard and Surat edition of the Gujarati newspaper Dhabkar, each with wide circulation</p>
Pricing date	The date on which our Company and the Selling Shareholders in consultation with the BRLMSs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information
Public Offer Account	Account opened with the Banker to the Offer i.e. ICICI Bank Limited and IndusInd Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or RHP	<p>The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.</p> <p>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 on or after the Pricing Date</p>
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>

Term	Description
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Satellite Corporate Services Private Limited having registered office at B-302, Sony Apartment, Opp. St. Jude High School, 90 Ft. Road, Jarimari, Sakinaka, Mumbai-400072
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
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
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised_Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Share Escrow Agreement	The Agreement to be entered into among the Selling Shareholders, our Company, BRLMs and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer For Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allotees
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely Satellite Corporate Services Pvt Ltd
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate or Members of the Syndicate	The BRLMSs and the Syndicate Members
Syndicate Agreement	Agreement dated January 09, 2017 entered into amongst the BRLMSs, the Syndicate Members, our Company and the Selling Shareholders in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited
Underwriter	Pantomath Capital Advisors Private Limited and Indian Overseas Bank
Underwriting Agreement	The agreement dated September 12, 2016 entered into between the Underwriter and our Company
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 the time period between (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,

Term	Description
	“Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are Foreign Investment Promotion Board (“FIPB”) and the Reserve Bank of India (“RBI”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 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. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. 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.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present, FDI is permitted upto 100 % in Greenfield projects and 74% in Brownfield projects under the automatic route and FDI beyond 74% in Brownfield projects requires FIPB approval. FDI is permitted up to 100 percent under the automatic route in the hospital sector and in the manufacture of medical devices.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters

and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## **INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES**

Under the current FDI Policy 2016, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49 % or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

### **i. Investment by FIIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro-Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

### **ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme**

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral

cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

**iii. Investment by NRI on repatriation and non-repatriation basis under PIS:**

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on non-repatriation basis, does not exceed 5 % of the paid-up value of shares issued by the company concerned;
- the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5 % of the paid-up value of each series of convertible debentures issued by the company concerned;
- the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10 % of the paid up capital of the company and in the case of purchase of convertible debentures
- the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures; However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

**iv. Investment by NRI on Non-repatriation basis**

As per current FDI Policy 2016, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2000/3/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a**

**requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bid-cum-Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the Lead Manager(s) are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bid-cum-Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

Description of equity shares and terms of the Articles of Association:

I. (1) In these regulations -

- (a) “the Act” means the Companies Act, 2013,
- (b) “the seal” means the common seal of the company.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **PUBLIC COMPANY**

II. (1) The company is a “Public Company” within the meaning of Section 2 (71) of the Companies Act, 2013 and accordingly:-

- (i) is not a private company;
- (ii) has a minimum paid up share capital of five lakhs rupees or such higher paid-up capital as may be prescribed

### **Share capital and variation of rights**

- III. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- 2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
  - (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

However the aforesaid time limit may be extended by the board of director by a resolution thereto.

- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 
- 3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or

destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of an amount not exceeding twenty rupees for each certificate.

- (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
- 4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. However in case any class of share holder(s), if 100% shares are held by a single person or member, quorum shall be of one person.
- 7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- 8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### **Lien**

- 9. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be

wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale May be retained by the company to be treated as capital reserve.

#### **Calls on shares**

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than 15 days from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call or a condition of allotment for payment of call may be revoked or postponed or altered at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the

Board or any committee thereof authorising the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in

respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for

such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

**Transfer of shares**

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to

register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
- Transmission of shares**
23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety

days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

27. In case of a One Person Company—

- (i) on the death of the sole member, the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member;
- (ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;
- (iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;
- (iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

**Forfeiture of shares**

28. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

29. The notice aforesaid shall—

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in

such manner as the Board thinks fit.

- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

33. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - (iii) The transferee shall thereupon be registered as the holder of the share; and
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
34. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- Alteration of capital**
35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
36. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide, reclassify the shares in different classes or its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
37. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

### **Capitalisation of profits**

39. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, or such member(s) as may be decided by members by way of special resolution.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

### **Buy-back of shares**

41. Notwithstanding anything contained in these articles but subject to the provisions

of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.
43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.  
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board

#### **Proceedings at general meetings**

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.  
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
48. In case of a One Person Company—
  - (i) the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;
  - (ii) such minutes book shall be signed and dated by the member;
  - (iii) the resolution shall become effective from the date of signing such minutes by the sole member.

#### **Adjournment of meeting**

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.  
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.  
(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of

the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The subscribers to the memorandum and articles of association of this company shall be first directors of the Company.

61. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any

committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

(iii) So long any moneys be owing by the Company to any Finance Corporation or Credit Corporation or to any Financing Company or Body and/or so long as any Finance Corporation or credit Corporation or any Financing Company or Body holds the shares in the Company acquired as a result of undertaking, (Which Corporation or Body is hereinafter in this Article referred to as “the Corporation”) the Directors may authorise such Corporation to appoint from time to time any one or more person(s) as the Director/s (which Director(s) is hereinafter referred as “Nominee Director”) and the Nominee Director shall not be liable to retire by rotation and need not posses any qualification shares to qualify him for the office of such Director.

The Corporation may at any time and from time to time remove any such Nominee Director or Directors appointed by it and may at the time of such removal and also in the case or death or resignation of the person (s) so appointed at any time appoint another or others in his or their place and also fill in

any vacancy which may occur as result of any such Director or Director ceasing to hold that office for any reason whatever such appointment or removal shall be made in writing signed by the Chairman of the Corporation or any person or Director thereof authorised in this behalf and shall be delivered to the Company at its registered office. Every Corporation entitled to appoint a Director under this Article may appoint one or more such person(s) as Director(s).

62. The Board may pay all expenses incurred in getting up and registering the company.
63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

64. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose or record his attendance in any other manner.
66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, The matter shall be referred to general meeting of member to be called and held within 30 days.
69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
72. (i) A committee may elect a Chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

73. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, Matter shall be referred to board.
74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- The General meeting of the company may authorise or ratify any director individually for any purpose, work, authority which is generally or specifically to be done by the or at the board meeting only whether required to be done by the act or the articles of association. Any such act done by the director individually will be deemed to have complied with all laws
75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
76. In case of a One Person Company—
- (i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;
  - (ii) such minutes book shall be signed and dated by the director;
  - (iii) the resolution shall become effective from the date of signing such minutes by the director.

**Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

77. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; provided that chairperson of the company may be appointed as the MD or CEO of the company.
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
78. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**The Seal**

79. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or such other person as the Board may appoint for the purpose; and that director or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### **Dividends and Reserve**

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
82. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.  
(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
83. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.  
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
84. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
85. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.  
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.

### **Accounts**

89. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **Winding up**

90. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
  - (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity**

91. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, Irrespective of outcome thereof.

### **General Authority**

92. If the Companies Act, 2013 or any rules framed thereunder requires any specific permission in the article of association for carrying out the mentioned activity by the board, general meeting or the company, than it will be deemed that the same is authorised by this articles, unless and until specifically prohibited by the articles.

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013. from date of filing this Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Offer Agreement dated September 12, 2016 between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 12, 2016 between our Company, the Selling Shareholders and Satellite Corporate Services Private Limited, Registrar to the Offer.
3. Underwriting Agreement dated September 12, 2016 between our Company and Underwriter viz. BRLMs
4. Share Escrow Agreement dated January 09, 2017 between our Company, the Selling Shareholders, the BRLMs and the Share Escrow Agent.
5. Market Making Agreement dated January 09, 2017 between our Company, Market Maker and the BRLMS.
6. Bankers to the Offer Agreement dated September 12, 2016 amongst our Company, the BRLMs, Banker(s) to the offer and the Registrar to the offer.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated March 04, 2016
8. Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated February 24, 2016
9. Syndicate Agreement dated January 09, 2017 between our Company, the BRLMs and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

#### **Material Documents**

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated July 25, 2016 in relation to the Offer and other related matters.
3. Shareholders' resolution dated August 27, 2016 in relation to the Offer and other related matters.
4. Authorisation letter dated September 10, 2016 issued by Manukant Zota
5. Authorisation letter dated September 10, 2016 issued by Varshaben Zota
6. Authorisation letter dated September 10, 2016 issued by Ketankumar Chandulal Zota (HUF)
7. Authorisation letter dated September 10, 2016 issued by Manisha Zota

8. Statement of Tax Benefits dated March 03, 2017 issued by our Peer Reviewed Auditor, Pradeep K. Singhi & Associates, Chartered Accountants.
9. Report of the Peer Reviewed Auditor, Pradeep K. Singhi & Associates, Chartered Accountants, dated March 03, 2017 on the Restated Financial Statements for the period ended December 31, 2016 and for the financial years ended as on March 31, 2016, 2015, 2014, 2013 & 2012 of our Company.
10. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Managers, Registrar to the Offer, Underwriter, Market Maker, Bankers to the Offer, Refund Banker to the Offer, to act in their respective capacities.
11. Copy of approval from National Stock Exchange of India Limited *vide* letter dated March 08, 2017, to use the name of National Stock Exchange of India Limited in this offer document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

### **DECLARATION BY SELLING SHAREHOLDERS**

We, the under signed Selling Shareholders hereby certifies that all the statements made by the Selling Shareholders in this Red Herring Prospectus about or in relation to itself in connection with the Offer for Sale, and the Equity Shares offered by them in the Offer for Sale are true and correct.

#### **Signed by Selling Shareholders**

Sd/-	Sd/-
Signed by the Selling Shareholder <b>Manukant Zota</b>	Signed by the Selling Shareholder <b>Varshaben Zota</b>
Sd/-  Signed by Ketankumar Zota for the Selling Shareholder <b>Ketankumar Chandulal Zota (HUF)</b>	Sd/-  Signed by the Selling Shareholder <b>Manisha Zota</b>

Place: Surat

Date: April 18, 2017

### DECLARATION BY THE COMPANY

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

**Signed by all the Directors of our Company**

Name and Designation	Signature
Ketankumar Zota <i>Chairman and Non Executive Director</i>	Sd/-
Moxesh Zota <i>Managing Director</i>	Sd/-
Kamlesh Zota <i>Whole time Director</i>	Sd/-
Himanshu Zota <i>Whole time Director</i>	Sd/-
Manukant Zota <i>Whole time Director</i>	Sd/-
Mahesh Prajapati <i>Independent Director</i>	Sd/-
Varshaben Mehta <i>Additional Director</i>	Sd/-
Shaileshkumar Shah <i>Independent Director</i>	Sd/-

Signed by Chief Financial Officer and Company Secretary & Compliance Officer of the Company

<b>Sd/-</b> Ashvin Variya <i>Company Secretary &amp; Compliance Officer</i>	<b>Sd/-</b> Viral Mandviwala <i>Chief Financial Officer</i>
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Place: Surat

Date: April 18, 2017

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	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.	Agro Phos (India) Limited	12.94	22	November 16, 2016	26.40	-6.59% (0.52%)	2.95% (6.75%)	Not Applicable
2.	Majestic Research Services and Solutions Limited	9.43	114	December 14, 2016	140.00	56.27% (2.42%)	60.35% (10.67%)	Not Applicable
3.	Maheshwari Logistics Limited	27.17	68	January 16, 2017	71.80	5.51% (0.97%)	38.97% (8.64%)	Not Applicable
4.	Madhav Copper Limited	4.48	81	February 06, 2017	90.50	55.86% (1.66%)	Not Applicable	Not Applicable
5.	Chemcrux Enterprises Limited	2.40	18	March 28, 2017	21.60	Not Applicable	Not Applicable	Not Applicable
6.	Manomay Tex India Limited	11.41	30	March 28, 2017	32.40	Not Applicable	Not Applicable	Not Applicable
7.	Oceanice Foods Limited	6.50	65	March 31, 2017	65.00	Not Applicable	Not Applicable	Not Applicable
8.	Euro India Fresh Foods Limited	51.25	78	March 31, 2017	82.40	Not Applicable	Not Applicable	Not Applicable
9.	Bohra Industries Limited	25.14	55	April 05, 2017	57.85	Not Applicable	Not Applicable	Not Applicable
10.	Creative Peripherals and Distribution Limited	13.50	75	April 10, 2017	83.25	Not Applicable	Not Applicable	Not Applicable

Note:- Majestic Research Services and Solutions Limited is a Further Public Offering managed by Pantomath Capital Advisors Private Limited

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.
5. As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

### SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
13-14	*1	6.855	-	-	-	-	1	-	-	-	-	-	1	-
14-15	**5	56.844	-	-	-	-	-	5	-	-	-	-	2	3
15-16	***9	54.01	-	-	1	3	2	3	-	-	2	4	3	-
16-17	****24##\$	204.56	-	-	5	4	3	6	-	1	4	5	1	5
17-18	*****2\$\$	38.64	-	-	-	-	-	-	-	-	-	-	-	-

\*The scrips of Si. Vi. Shipping Corporation Limited was listed on March 6, 2014.

\*\*The scrips of Women's Next Loungerries Limited, Ultracob (India) Limited, Momai Apparels Limited, Jet Infraventure Limited and Supreme(India) Impex Limited were listed on April 21, 2014, October 10, 2014, October 16, 2014, November 25, 2014, and March 31, 2015 respectively.

\*\*\*The scrips of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*\*\*The scrips Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Checmcrux Enterprises Limited, Manomay Tex India Limited, Oceanice Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

##The Scripts of Agro Phos India Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Checmcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.

\*\*\*\*\*The scripts Bohra Industries Limited and Creative Peripherals and Distribution Limited were listed on April 05, 2017 and April 07, 2017 respectively.

\$\$ The scripts of Bohra Industries Limited and Creative Peripherals and Distribution Limited have not completed 30 Days each from the date of listing.

#### Annexure A

#### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY INDIAN OVERSEAS BANK

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	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.	Nandani Creation Limited	4.04	28	October 10, 2016	33.60	39.29% (-1.90%)	61.25% (-16.19%)	99.29% (5.62%)
2.	Gretex Industries Limited	3.96	20	October 14, 2016	24.00	-8.00% (-3.34%)	-26.25% (-2.36%)	-21.00% (7.61%)
3.	Agro Phos (India) Limited	12.94	22	November 16, 2016	26.40	-6.59% (0.52%)	2.95% (6.75%)	Not Applicable

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.
5. As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

### SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
16-17	*3#	9.95			1			2			1	1		

\*The scrips Nandani Creation Limited, Gretex Industries Limited and Agro Phos (India) were listed on October 10, 2016, October 14, 2016 and November 16, 2016 respectively.

#The Scrip of Agro Phos (India) Limited has not completed 180 Days from the date of listing.