

Draft Letter of Offer
November 5, 2018
For Eligible Equity Shareholders only



LASA SUPERGENERIC LIMITED

Lasa Supergenerics Limited (our “Company” or the “Company” or the “Issuer”) was incorporated on March 11, 2016 as a public limited company under the provisions of Companies Act, 2013 having registration number 274202 of 2016 with the Registrar of Companies, Maharashtra situated at Mumbai (“RoC”). Our Company has received its Certificate of Incorporation issued by the RoC on March 11, 2016. For details of change in registered office of our Company, see “History and Certain Corporate Matters” on page 131 of this Draft Letter of Offer.

Corporate Identification Number: L24233MH2016PLC274202

Registered Office: C-105, MIDC, Mahad, Raigad 402 301, Maharashtra, India **Telephone:** +91 21 4523 2101 / 202; **Fax number:** Not available

Corporate Office: B-207, Citi Point, Andheri Kurla Road, Andheri East, Mumbai 400 059, Maharashtra, India

Telephone: +91 22 4970 1092; **Fax number:** Not available

Contact Person: Nidhi Kulshreshtha, Company Secretary and Compliance Officer

E-mail: cs@lasalabs.com; **Website:** www.lasalabs.com

OUR PROMOTER: OMKAR HERLEKAR

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF LASA SUPERGENERIC LIMITED

ISSUE OF [●] EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] EACH (INCLUDING A SHARE PREMIUM OF ₹ [●]) PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 6,000.00 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE “ISSUE”). THE ISSUE PRICE OF THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 254 OF THIS DRAFT LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity related securities involve a high degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to refer to the “Risk Factors” on page 16 of this Draft Letter of Offer before making an investment in this Issue.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (together the “Stock Exchanges”). Our Company has received “in-principle” approval from BSE and NSE for listing the Rights Issue Equity Shares to be allotted in the Issue vide their letters dated [●] and [●], respectively. For the purpose of the Issue, the Designated Stock Exchange is the [●].

LEAD MANAGER

REGISTRAR TO THE ISSUE

SAFFRON

energising ideas

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED

605, Center Point, Sixth Floor,
Andheri - Kurla Road, J.B. Nagar,
Andheri (East), Mumbai 400 059
Maharashtra, India

Telephone: +91 22 4082 0914/ 15

Fax number: +91 22 4082 0999

Email: rights.issue@saffronadvisor.com

Website: www.saffronadvisor.com

Investor Grievance Email: investorgrievance@saffronadvisor.com

Contact Person: Amit Wagle / Gaurav Khandelwal

SEBI Registration Number: INM000011211



BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building,
Opposite Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400 059
Maharashtra India

Telephone: +91 22 6263 8200

Fax number: +91 22 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor grievance email: investor@bigshareonline.com

Contact Person: Srinivas Dornala

SEBI Registration Number: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON

LAST DATE FOR RECEIVING REQUESTS FOR
SPLIT APPLICATION FORMS

ISSUE CLOSES ON

[●]

[●]

[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

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

Provided that terms used in the sections “Industry Overview”, “Summary of Industry”, “Financial Information”, “Statement of Tax Benefits”, “Basis for Issue Price”, “Outstanding Litigation and Material Developments” “Key Regulations and Policies”, “Issue Related Information” and “Main Provisions of the Articles of Association” shall, unless indicated otherwise on pages 84, 33, 163, 73, 70, 231, 124, 254 and 292 respectively, of this Draft Letter of Offer will have the meanings ascribed to such terms in the respective sections.

Unless the context otherwise indicates, all references to, “Lasa”, “Lasa Supergenerics Limited”, “the Company”, “our Company”, “the Issuer”, “we”, “us” and “our” are references to Lasa Supergenerics Limited, and references to “you”, “your” or “yours” refer to prospective investors in this Issue.

General Terms

Terms	Description
“Lasa Supergenerics Limited” or “Lasa” or “the Company” or “our Company” or “the Issuer” or “us” or “we”	Lasa Supergenerics Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 and having its registered office at C-105, MIDC, Mahad, Raigad – 402 301, Maharashtra, India.

Company Related Terms

Terms	Description
Articles/ Articles of Association/ AoA	The Articles of Association of our Company, as amended from time to time.
Amarnath	Amarnath Securities Limited.
ARPL / Abhinandan	Abhinandan Rasayan Private Limited.
Audit Committee	Audit committee of the Board constituted in terms of the Companies Act, 2013 and the SEBI Listing Regulations.
Auditors / Statutory Auditor	The Statutory Auditors of our Company being M/s. Thanawala & Company, Chartered Accountants.
Board/ Board of Directors/ our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Corporate Office	Corporate office of our Company is situated at B – 207, Citi Point, Andheri Kurla Road, Andheri East, Mumbai 400 059, Maharashtra, India.
Demerged Company	Omkar Speciality Chemicals Limited.
Deshchem	Desh Chemicals Private Limited.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares	Equity Shares of face value ₹10 each of our Company.
Group Companies/ Group Entities	Such companies as covered under the applicable accounting standards and also other companies as considered material by the Board of the Issuer. In accordance with the policy adopted by the Board vide its resolution dated August 13, 2018, the companies listed in section “Group Companies” excluding the companies with whom our Company is no longer associated, have been determined to be the ‘group companies’ of our Company in accordance with applicable accounting standards, being IND AS 24.
Harishree	Harishree Aromatics and Chemicals Private Limited.
Internal Auditor	The Internal Auditor of our Company being M/s. CSVM & Associates, Chartered Accountants.

Terms	Description
Key Management Personnel / KMPs	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and disclosed in the "Our Management" on page 136 of this Draft Letter of Offer.
Memorandum/ Association/ MoA	The Memorandum of Association of our Company, as amended from time to time.
Promoter	The Promoter of our Company is Omkar Herlekar.
Promoter Group	Persons and entities forming part of our promoter group as determined in terms of the Regulation 2(1)(zb) of the SEBI ICDR Regulations and the persons and entities as disclosed to BSE under regulation 31 filings made by our Company under the SEBI Listing Regulations.
Registered Office	Registered office of our Company is situated at C-105, MIDC, Mahad, Raigad – 402301, Maharashtra, India.
Registrar of Companies/ ROC	Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive Mumbai- 400 002, Maharashtra, India.
Resulting Company	Lasa Supergenerics Limited.
Rishichem	Rishichem Research Limited.
Restated Financial Statements/ Restated Financial Informations	The restated financial information of our Company which comprises the restated summary statement of assets and liabilities, the restated statement of changes in equity, the restated summary statement of profit and loss and the restated summary statement of cash flow as at and for the three months ended June 30, 2018 and the financial years/period ended March 31, 2018, 2017, and 2016 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, the Ind AS and restated in accordance with the SEBI ICDR Regulations.
Scheme /Scheme of Arrangement /Composite Scheme of Arrangement	The Composite Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Omkar Speciality Chemicals Limited, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited, Desh Chemicals Private Limited and Lasa Supergenerics Limited and their respective shareholders as sanctioned by the National Company Law Tribunal Mumbai Bench on April 13, 2017.
Shareholders	Equity Shareholders of our Company.
Unit 1	Plot no. C-105 and C-105/1, Mahad Industrial Area, M.I.D.C., Village Khajre Airwandi, - Mahad-402 309, District Raigad, Maharashtra.
Unit 2	Plot no. C-4 and C-1, C-43, Lote Parshuram Industrial area, Taluka Khed, District Ratnagiri, Maharashtra.
Unit 3	B-15 / B-16 Lote Parshuram Industrial area, Taluka Khed, District Ratnagiri, Maharashtra.
Unit 4	D 27/5 Lote Parshuram Industrial area, Taluka Khed, District Ratnagiri, Maharashtra.
Urdhwa	Urdhwa Chemicals Company Private Limited.

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Shareholders as on the Record Date with respect to the Issue in accordance with the SEBI ICDR Regulations and Companies Act.
Additional Equity Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment/ Allot/ Allotted/ Allotment of Equity Shares	The allotment of Equity Shares pursuant to the Issue.
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Equity Shares of our Company are Allotted pursuant to the Issue.

Term	Description
Applicant(s)	Eligible Equity Shareholder(s) and/or Renounees who make an application for the Equity Shares in terms of this Letter of Offer, including an ASBA Applicant.
Application	Unless the context otherwise requires, refers to an application for Allotment of Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Securities applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the application amount of the ASBA Investor/ Applicant or plain paper application, as the case may be for blocking the amount mentioned in the CAF.
ASBA Investor (s)	<p>Equity Shareholders proposing to subscribe to the Issue through the ASBA process and who:</p> <ul style="list-style-type: none"> • are holding Equity Shares in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/ or additional Equity Shares in dematerialized form; • have not renounced their Rights Entitlements in full or in part; • who are not Renounees; and • who are applying through blocking of funds in a bank account maintained with SCSBs. <p>All QIBs, Non-Institutional Investors and Investors whose Application Money exceeds ₹ 2 lakhs can participate in the Issue only through the ASBA process. All Renounees shall apply in the Issue only through non-ASBA process, irrespective of the application value. For further details, see “<i>Terms of the Issue</i>” on page 254 of this Draft Letter of Offer.</p>
Bankers to the Issue/ Escrow Collection Banks	[•]
Composite Application Form/ CAF	The application form used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Equity Shares Allotted to one folio.
Controlling Branches of the SCSBs/ Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[•]
Depository	NSDL and CDSL or any other depository registered with the SEBI under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer	This draft letter of offer dated November 5, 2018, filed with SEBI for its observation which does not contain complete particulars of the Issue.
Eligible Shareholders/ Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Overseas Investors</i> ” on page 11 of this Draft Letter of Offer.
Equity Shares /Shares	Equity Shares of our Company having a face value of ₹ 10 each.

Term	Description
Investor(s)	The Equity Shareholder(s) of our Company on the Record Date and the Renounees.
Issue / Rights Issue	Issue of [●] Equity Shares with a face value of ₹ 10 each for cash at a price of ₹ [●] lakhs (including a share premium of ₹ [●] per Equity Share) aggregating to an amount not exceeding ₹ 6,000.00 lakhs on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] fully paid-up Equity Shares held on the Record Date that is [●].
Issue Agreement	Issue agreement dated September 26, 2018 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] per Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of [●] Equity Shares for an amount not exceeding ₹ 6,000.00 lakhs.
Lead Manager	Saffron Capital Advisors Private Limited.
Letter of Offer	The final letter of offer to be filed with the Stock Exchange after incorporating the observations received from SEBI on this Draft Letter of Offer.
Listing Agreement	The agreement dated [●] entered into between our Company and the Stock Exchange in relation to listing of the Equity Shares on the Stock Exchanges pursuant to requirements of Regulation 109 of the SEBI Listing Regulations.
Mutual Fund	Mutual fund registered with SEBI under the SEBI Mutual Fund Regulations.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to “ <i>Objects of the Issue</i> ” beginning on page 65 of this Draft Letter of Offer.
NAV	Net Asset Value calculated as Net Worth divided by number of paid up Equity Shares.
Net Worth	Paid up share capital plus reserves and surplus (excluding revaluation reserves, if any) less miscellaneous expenditure, if any.
Non – ASBA investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Non Institutional Investor(s)	All Investors including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for the Equity Shares in this Issue, for a cumulative amount of more than ₹ 2 lakhs.
QIBs/ Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Equity Shares i.e. [●].
Refund through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable.
Refund Bank	[●]
Registered Foreign Portfolio Investors/ Foreign Portfolio Investors/ Registered FPIs/ FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations.
Registrar to the Issue/ Registrar and Transfer Agent/ RTA	Bigshare Services Private Limited.
Renounee(s)	Person(s) who has/ have acquired Rights Entitlements from the Eligible Equity Shareholders.
Retail Individual Investor(s)	Individual Investors who have applied for Equity Shares for an amount less than or equal to ₹ 2 lakhs (including HUFs applying through their Karta).
Rights Entitlement	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date.
Rights Equity Shares	The Equity Shares of face value ₹ 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Self-Certified Syndicate Bank/ SCSB	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at

Term	Description
	http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.
Split Application Form/ SAF	Split application form(s) which is an application form used in case of renunciation in part by an Eligible Shareholder in favour of one or more Renouncee(s).
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio.
Stock Exchange(s)	National Stock Exchange of India Limited and BSE Limited, where the Equity Shares of our Company are presently listed.
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such.
Working Day(s)	Any day, other than second and fourth Saturdays 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 the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Conventional, General and Industry Terms and Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
A/c	Account
AFI	Annual Financial Inspection
AGM	Annual General Meeting
AIF	Alternative Investment Fund registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
API	Active Pharmaceutical Ingredient
AS	Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CIN	Corporate Identification Number
Client ID	Client identification number of the Bidders beneficiary account
Companies Act	Companies Act, 1956 or Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
DIPP	Department of Industrial Policy and Promotion
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPFO	Employees' Provident Fund Organisation

Term	Description
EPS	Earnings per Share
ESIC	Employee State Insurance Corporation
EGM	Extraordinary General meeting
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FII	Foreign Institutional Investor, as defined under Regulation 2(1)(g) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India.
Financial year / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Government/GoI	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IFRS	International Financing Reporting Standards
ISIN	International Securities Identification Number allotted by the depository.
Ind AS	Indian accounting standards as notified by the MCA pursuant to Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally accepted accounting principles followed in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
I.T. Act / IT Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards
I. T. Rules	Income Tax Rules, 1962
Lakhs	One hundred thousand
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of Understanding
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NA	Not Applicable
NAV	Net asset value
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR	Non Resident
NRO Account	Non-Resident Ordinary Account.
NRI	Non Resident Indian
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
OSCL	Omkar Speciality Chemicals Limited
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax

Term	Description
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio.
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Rs./INR/Rupees/ ₹	Indian Rupees, Valid legal tender in India
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	United States Securities Act of 1933
Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub - brokers) Regulations, 1992
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
TAN	Tax Deduction Account Number

Industry Related Term / Company Related Terms

Term	Description
AIDS	Acquired Immuno Deficiency Syndrome
ANDA	Abbreviated New Drug Application
APEJ	Asia Pacific Excluding Japan
APIs	Active Pharmaceutical Ingredients
APA	The Air (Prevention and Control of Pollution) Act, 1981
ARPL	Abhinandan Rasayan Private Limited
ASSOCHAM	The Associated Chambers of Commerce of India
BE	Budget Estimates
BCG	Boston Consulting Group
BRICS	Brazil, Russia, India, And China
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
CE	Capital Expenditure
CEP	Certificate of Suitability to the Monographs of the European Pharmacopoeia
CGA	Controller General of Accounts
c-GMP	Current Good Manufacturing Practice
CP	The Centralised Procedure
CRAMS	Contract Research and Manufacturing Services
CSO	Central Statistics Organisation
CSR	Corporate Social Responsibility
DCGI	The Drug Controller General of India
DCP	Decentralised Procedure
DEV	Tax Devolution to States
DIPP	Department of Industrial Policy & Promotion

Term	Description
DMFs	Drug Master Files
EBITDA	Earnings Before Interest, Taxes, Depreciation, And Amortization
EEA	European Economic Area
EDMF	European Drug Master File
EDQM	European Directorate for the Quality of Medicines
EMDE	Emerging Market & Developing Economies
EPA	The Environment Protection Act, 1986
EU	European Union
FD	Fiscal Deficit
FDA	Food and Drug Administration
FEMA	The Foreign Exchange Management Act, 1999
FTP	Foreign Trade Policy
GDP	Gross Domestic Product
GST	Goods and Services Tax
GTR	Gross Tax Revenue
GVA	Gross Value Added
HOWM	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HPAPI	High Potency Active Pharmaceutical Ingredient
HWM	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
Ibef	India Brand Equity Foundation
IEC	Certificate of Import-Export Code
IFAH	The International Federation for Animal Health
IMF	International Monetary Fund
IP	Interest Payments
IPA	Indian Pharmaceutical Association
ISO	The International Organization for Standardization
KVA	Kilo-Volt-Ampere
KPMG	Klynveld Peat Marwick Goerdeler
MEA	Middle East & Africa
MEIS	Merchandise Exports from India Scheme
MIDC	Maharashtra Industrial Development Corporation
MOA	Ministry of Agriculture
MoEF	The Ministry of Environment and Forests
MRP	The Mutual Recognition Procedure
MSEDCL	Maharashtra State Electricity Distribution Co. Limited
MTEF	Medium Term Expenditure Framework
NASSCOM	The National Association of Software and Services Companies
NBFC	Non-Banking Financial Company
NDDS	New Drug Delivery Systems
NPPP	The National Pharmaceutical Pricing Policy, 2012
OECD	Organization for Economic Cooperation and Development
PA	Provisional Actuals
PD	Primary Deficit
PHARMEXCIL	Pharmaceuticals Export Promotion Council of India
PE	Private Equity
PIB	Press Information Bureau
PPP	Purchasing Power Parity
RBI	The Reserve Bank of India
RD	Revenue Deficit
R&D	Research and Development
RE	Revenue Expenditure
SEIS	Service Exports from India Scheme
Sub	Subsidies
TRIPS	Trade Related Aspects of Intellectual Property Rights
VMPs	Veterinary Medicinal Products

Term	Description
WEO	World Economic Outlook
WHO	World Health Organization
WPA	The Water (Prevention and Control of Pollution) Act, 1974

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

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or CAF and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Shareholders and will dispatch this Draft Letter of Offer / Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to the Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer and all the persons subscribing for the Equity Shares must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the rights and the Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer or the date of such information, as applicable. The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the Issue of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither the Company nor the Lead Manager to the Issue is making any representation to any offeree or purchaser of the Rights Equity Shares or Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NOTICE TO OVERSEAS INVESTORS

The distribution of this Draft Letter of Offer and the issue of Equity Shares on a right basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform them about and observe such restrictions. Our Company is making the Issue to the Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer and CAF to the shareholders who have a registered address in India and or who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer / Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the Issue or the Rights Entitlements, distribute or send this Draft Letter of Offer in or into jurisdictions where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe the Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to date of this Draft Letter of Offer or the date of such information.

The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares or Rights Entitlements. In addition, neither the Company nor the Lead Manager to the Issue is making any representation to any offeree or purchaser of the Equity Shares or Rights Entitlements regarding the legality of an investment in the Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Equity Shares offered in this Issue have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act ("Regulation S")), except in a transaction exempt from the registration requirements of the Securities Act. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares offered in this Issue or Rights Entitlement. Accordingly, this Draft Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither we nor any person acting on behalf of us will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who we or any person acting on behalf of us has reason to believe is, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. We are making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer and CAF will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for such Equity Shares or the Rights Entitlements, it will not be, in the United States, (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States

when the buy order is made, and (iii) it is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

We reserve the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Equity Shares offered in the Issue or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Letter of Offer is derived from the Restated Financial Information prepared in accordance with the Indian Accounting Standards (the “**Ind AS**”) notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the SEBI ICDR Regulations and the guidance notes issued by ICAI and included elsewhere in this Draft Letter of Offer .

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All decimals have been rounded off to two decimal points. Therefore, in certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer may be rounded-off to such number of decimal points as provided in such respective sources.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, the Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditional and Results of Operations*” on pages 16, 108 and 211 respectively of this Draft Letter of Offer, and elsewhere in this Draft Letter of Offer have been calculated on the basis of the Restated Financial Information of our Company.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakhs” units. One lakh represents 1,00,000. All the numbers in the document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs.

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Exchange Rates

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

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

(In ₹)

Currency#	Exchange rate as on					
	June 30, 2018 ⁽³⁾	March 31, 2018 ⁽²⁾	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014 ⁽¹⁾
1 US\$	68.58	65.04	64.84	66.33	62.59	60.10

[#]Source: RBI reference rate www.rbi.org.in

- ⁽¹⁾ Exchange rate as on March 28, 2014, as RBI reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.
- ⁽²⁾ Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 29, March 30 on account of public holiday and March 31, 2018 being Saturday respectively.
- ⁽³⁾ Exchange rate as on June 29, 2018, as RBI Reference Rate is not available for June 30, 2018 being a Saturday.

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from the Report on the veterinary industry titled “Global Veterinary Industry Overview” dated June 5, 2018 by Knowledge Resources Group. Knowledge Resources Group has issued the Report on the veterinary industry with the following disclaimer:

“The information in the report has been extracted from renowned publications of third party sources as cited in the list of acknowledgments below. While industry sources and publications are generally believed to be reliable, their accuracy and assumptions are not.”

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Company nor the Lead Manager or its affiliates and advisors or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The actual data for those years may vary significantly and materially from the estimates so contained. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent source and our Company cannot assure potential investors as to their accuracy.

In accordance with the SEBI ICDR Regulations, “Basis for Issue Price” on page 70 of this Draft Letter of Offer includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither our Company, nor the Lead Manager has independently verified such information.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under “*Risk Factors*”, “*Management's Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry*” and “*Our Business*”. Our Company may, from time to time, make written or oral forward looking statements in reports to Equity Shareholders and in other communications. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “contemplate”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “objective”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “will”, “would” and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under the “*Risk Factors*”, as well as those included elsewhere in this Draft Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- Our ability to successfully implement our growth strategy;
- Our ability to sell our finished products at expected prices or at all;
- The outcome of legal or regulatory proceedings that our Company may become involved in;
- Changes in government policies and regulatory actions that apply to or affect our business;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to compete effectively, particularly in new markets and business lines;
- Any major disruption in our business and operations, including accidents in our units, arising out of improper handling of hazardous materials or otherwise;
- Any increase in interest rates or increase in prices of, shortages of, or delays or disruptions in the supply of raw material;
- Our ability to successfully forecast the demand for our products and commercialize them;
- Any factor that adversely affects the export segment of our business.

For a further discussion of factors that could cause our Company’s actual results to differ, see “*Risk Factors*” and “*Our Business*” on pages 16 and 108, respectively of this Draft Letter of Offer. 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. Neither our Company nor the Lead Manager make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchange requirements, our Company and Lead Manager will ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment.

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 effect is not quantifiable and hence the same has not been disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as the other financial and statistical information contained in this Draft Letter of Offer.

Unless otherwise stated, the financial information of our Company used in this section is derived from our Restated Financial Statements.

Internal Risk Factors

1. *We are yet to obtain consents/ no objection certificate from Bank of Baroda, Axis Bank Limited and Dombivli Nagari Sahakari Bank Limited, the lenders to our Company for the Issue.*

Our Company has entered into several types of borrowing facilities of varying terms and tenures from lenders. Some of the financing arrangements entered into by us include conditions and covenants that require our Company to obtain lender’s consents prior to carrying out certain activities and entering into certain transactions including matters in relation to the Issue. Some of these covenants include, altering our capital structure; changing our current ownership / control, formulating a scheme of amalgamation, material change in management, undertaking guarantee obligations, declaration of dividend, and amending constitutional documents, for which we have to obtain consent from lenders. Furthermore, some of our financing arrangements specify that upon the occurrence of an event of default, the lender shall, among other things, have the right to forfeit the outstanding facilities available for drawdown, demand immediate repayment of the loan or any part thereof together with accrued interest and other sums due by our Company.

We have applied to all the relevant lenders for consent/ no objection certificate to undertake the Issue. As on date of this Draft Letter of Offer, despite our repeated requests, we are yet to receive consent from Bank of Baroda and Axis Bank Limited. Our Company *vide* a request letter dated March 14, 2018 and email correspondence dated March 15, 2018 has applied for consent of Bank of Baroda for the proposed Issue, however Bank of Baroda has not responded to our letter and email. Further, our Company has also submitted reminder letters on April 11, 2018, July 31, 2018, September 17, 2018, October 9, 2018 and October 22, 2018 respectively to Bank of Baroda for obtaining such consent and we have not received any reply from Bank of Baroda.

Further, as on date of this Draft Letter of Offer, despite our repeated requests, we are yet to receive consent/ no objection certificate from Axis Bank Limited. Our Company *vide* a request letter dated February 22, 2018 and an email correspondence dated February 23, 2018 has applied for consent of Axis Bank Limited for the proposed Issue. *Vide* emails dated March 5, 2018 and September 21, 2018 respectively, Axis Bank Limited had responded requesting certain details from our Company in connection with the proposed Issue. Our Company had duly replied to their queries *vide* emails dated March 16, 2018 and October 5, 2018 respectively. However, no further communication has been received by our Company from Axis Bank Limited. Further, our Company has also submitted reminder letters on July 31, 2018, September 17, 2018 and October 22, 2018 respectively to Axis Bank Limited for such consent. Our Company proposes to obtain such consent prior to filing the Letter of Offer with the Stock Exchanges.

Our Company proposes to utilise an aggregate amount of ₹ 1500 lakhs from the Net Proceeds of the Issue towards full or partial re-payment or prepayment of the secured loans availed by our Company from Bank of Baroda and Axis Bank Limited. The selection and extent of loans proposed to be repaid from our Company’s loans will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility

including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenor of the loan, presence of onerous terms and conditions under the facility, levy of any prepayment penalties and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of pre-payment to lenders, if any and mix of credit facilities provided by lenders. For further details on the repayment of secured loans availed from lenders, see “*Objects of the Issue*” beginning on page 65 of this Draft Letter of Offer.

Further, our Company has also not received consent from our third lender, Dombivli Nagari Sahakari Bank Limited (“DNSBL”) from whom we have availed a term loan facility. However, we have filed a civil suit against DNSBL in relation to our Company’s outstanding disputed loan amount and security created in favour of DNSBL. The matter is presently pending before the High Court of Judicature at Bombay. For further details on the term loan availed from DNSBL and civil litigation initiated by our Company, see “*Financial Indebtedness*” and “*Outstanding Litigation and Material Developments*” beginning on pages 226 and 231 respectively of this Draft Letter of Offer.

Undertaking the Issue without such consents constitutes a breach of covenant under the relevant financing documents, which entitle the respective lender to call up the entire outstanding amount and make it payable forthwith. We cannot provide any assurance that our lenders will not enforce their rights relating to our breach of financial covenants, or grant us waivers with respect to any such breaches.

2. *If our products are not produced to the necessary quality standards, it could harm our business and reputation, and our revenues and profitability could be adversely affected.*

Our products and manufacturing processes are required to meet certain quality standards. We have established a quality control management system and standard operating procedures to help prevent quality issues in respect of our products. See “*Business – Quality Control*” on page 121 of this Draft Letter of Offer for further details of our quality control. Despite our quality control system and procedures, we cannot eliminate the risk of errors, defects or failure. Quality defects may arise as a result of a number of factors, many of which are outside our control, including manufacturing errors, technical or mechanical malfunctions in the manufacture process, human error or malfeasance by our quality control personnel, tampering by third parties, and quality issues with the raw materials we purchase or produce.

Failure to detect quality defects in our pharmaceutical products or to prevent such defective products from being delivered to end-users could result in patient injury or death, product recalls or withdrawals, license revocation or regulatory fines, or other problems that could seriously harm our reputation and business, expose us to liability, and adversely affect our revenues and profitability.

3. *If our research and development efforts do not succeed, this may hinder the introduction of new products, or if we do not successfully commercialize our products under development, or if the products that we commercialize do not perform as expected, our business, results of operations and financial condition may be adversely affected.*

In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards research and development. Our total expenditure on R&D was ₹ 208.15 lakhs constituting 0.95% of total revenue, ₹ 1,231.37 lakhs constituting 4.94% of total revenue and ₹ 9.00 lakhs constituting 0.27% of total revenue for Fiscal 2017, Fiscal 2018 and period ended on June 30, 2018 respectively. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. We may or may not be able to take our research and development innovations through the different testing stages without repeating our research and development efforts or incurring additional amounts towards such research.

Our success depends significantly on our ability to commercialize our new pharmaceutical products that are currently under development. 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 remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To achieve this, we have set up a R&D centers at Mahad, and one in Chiplun. In the pharmaceutical business, the R&D process from initiation to obtaining approval for a drug as well as marketing it, may involve a significant period of time. This process is conducted in various stages. Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues in the short term, or at all. Our inability to obtain necessary regulatory approvals for our products or the failure of a product to be successful at any stage and therefore not reach the market could adversely affect our business,

our results of operations and our cash flows. We may or may not be able to carry out our R&D activities without repeating these efforts, or incurring additional amounts towards such research.

Even if we are successful in developing a product, we may not be able to secure approvals for our pharmaceutical products on a timely basis or at all. Additionally, we may not be able to achieve the first-to-market stage if our competitors commercialize similar products before us. The occurrence of any such event could affect the success of our R&D activities, which in turn could have an adverse effect on our business, growth, results of operations, cash flows and financial condition. We currently have products under development, and once fully developed they may not perform as we expect, and 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

4. *Any disruption in production at, or temporary or permanent shutdown of, our production facilities, may materially and adversely affect our business, prospects, financial condition and results of operations.*

We operate 4 facilities engaged in manufacturing of APIs in India. Our API products are manufactured at one facility at Mahad and three at Chiplun, Maharashtra. In the event of any disruption of operations at our production facilities due to any reason, whether natural or manmade disasters, or resulting from workforce disruptions, regulatory approval delays, fire, failure of machinery, or any significant social, political or economic disturbances, our ability to manufacture our products may be adversely affected. Disruptions in our manufacturing activities could delay production or require us to shut down our manufacturing facilities. Any contravention of or noncompliance with the terms of various regulatory approvals applicable to our production facilities may result in us requiring to cease, or limit, production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities.

5. *The pharmaceutical market is subject to extensive regulation and any failure to comply with the applicable regulations prescribed by central and state governments in India and regulatory agencies in India or abroad or failure to obtain or renew any licenses and permits, could adversely affect our business, results of operations and financial condition.*

We operate in a highly regulated industry and our operations are subject to extensive regulation governing the Indian and global pharmaceutical market. Regulatory authorities must approve our products before we can manufacture, market and distribute them. Our customers are also required to obtain approvals for their products from the relevant regulatory authorities before they can use our products in their formulations. Applicable regulations have become increasingly stringent, a trend which is likely to continue in the future. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, prohibition on manufacture of certain products, imposition of fines and even criminal sanctions in certain jurisdictions.

We also have continuing obligations to regulatory authorities, such as the CDSCO, state level drugs control administrations, the DCGI and the central narcotics commissioner, both before and after a product's commercial release. Regulatory agencies may also inspect our manufacturing facilities and test the quality of our products at any time. As some regulators mutually recognize approvals granted by certain other regulators, if any inspection or quality assessment by such regulators results in observations or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture, market and distribute our products, which could adversely affect our ability to carry out operations in several jurisdictions, thereby adversely affecting our business, financial condition and results of operations. If we fail to comply with applicable statutory or regulatory requirements, or fail to fulfill the conditions set out in our existing licenses and registrations, there could be a delay in the submission or grant of approval for the manufacturing, marketing and distribution of new products. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products or impose fines upon us. For further details on the licenses obtained by our Company and licenses for which renewal applications have been made, see "*Government and Other Approvals*" beginning on page 236 of this Draft Letter of Offer.

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

We estimate demand for our products based on market projections and projections received from our customers and their inventory levels. If we overestimate demand, we may purchase more raw materials and manufacture more products than required. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in a loss of business. If we under stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could also adversely affect our goodwill and results of operations. In addition, if our products do not achieve widespread consumer acceptance, or our customers change their procurement

preferences, we may be required to take significant inventory markdowns, or may not be able to sell the products at all, which would affect our business, results of operations and financial condition. Each of our products has a shelf life of a specified number of years and our inability to sell our products prior to their expiry may lead to losses. As such, our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

7. An outbreak of infectious disease carried by animals could negatively affect the sale and production of our products.

Sales of our livestock products could be materially adversely affected by the outbreak of disease carried by animals, which could lead to the widespread death or precautionary destruction of animals as well as the reduced consumption and demand for animal protein. In 2006 there was an outbreak of bird flu all over India causing disruption of the poultry industry due to culling of birds, leading to reduction in herd size and adversely affecting the animal health industry. In addition, outbreaks of disease may reduce regional or global sales of particular animal-derived food products or result in reduced exports of such products, either due to heightened export restrictions or import prohibitions, which may reduce demand for our products. Any resulting reductions in the demand for our products could materially adversely affect our operating results and financial condition.

8. Our Company and our Promoter are parties to legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our reputation, results of operations and financial condition.

Our Promoter is party to legal proceedings. These legal proceedings are pending at different levels of adjudication before various judicial fora.

Mentioned below are the brief details of the material proceedings pending against our Company, our Directors, Promoter and Group Companies as on the date of this Draft Letter of Offer along with the amount involved, to the extent quantifiable:

Litigations by or against our Company / Promoter / Directors/ Group Companies:

							(₹ in lakhs)
Sr. No.	Name	Criminal Proceedings	Civil Proceedings	Statutory / Regulatory Proceedings	Tax Proceedings	Amount involved*	
Company							
1.	Against our Company	Nil	Nil	Nil	Nil	Nil	
2.	By our Company	Nil	1	Nil	Nil	182.00	
Promoter							
3.	Against our Promoter	Nil	Nil	Nil	Nil	Nil	
4.	By our Promoter	1	1	Nil	Nil	848.00	
Director							
5.	Against our Directors	Nil	Nil	Nil	Nil	Nil	
6.	By our Directors	Nil	Nil	Nil	Nil	Nil	
Group Companies							
7.	Against our Group Companies	Nil	Nil	Nil	Nil	Nil	
8.	By our Group Companies	Nil	Nil	Nil	Nil	Nil	
Total		1	2	Nil	Nil	1,030.00	

*to the extent quantifiable

There can be no assurance that these litigations will be decided in favour of our Promoter. If such claims are determined against our Promoter there could be a material adverse effect on our reputation, which could adversely affect the trading price of our Equity Shares. For further details of legal proceedings involving our Company, our Directors, Promoter and Group Companies, see “*Outstanding Litigation and Material Developments*” on page 231 of this Draft Letter of Offer.

9. We may become subject to claims and legal proceedings involving product liability claims that may adversely affect our business, financial condition and results of operations.

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in many jurisdictions. We are also required to meet various quality standards and specifications for our customers under our supply contracts. 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 the 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. Our business of developing, producing, marketing, promoting and selling pharmaceutical products in various jurisdictions inherently exposes us to potential product liability claims and litigation. In particular, unanticipated side effects, safety or efficacy concerns may become evident only when drugs are introduced into the marketplace and our customers or governments may bring civil or criminal proceedings against us for alleged product defects.

In other instances, third parties may perform analyses of published clinical trial results which raise questions regarding the safety of pharmaceutical products, and which may be publicized by the media. Even if such reports are inaccurate or misleading, in whole or in part, they may nonetheless result in claims against us for alleged product defects. There can be no assurances that we will not become subject to product liability claims or that we will be able to successfully defend ourselves against any such claims. The outcome of litigation and other legal proceedings that we may be involved in the future is difficult to assess or quantify. Plaintiffs may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from the time and effort of our management. If we are unable to defend ourselves against such claims, we may be subject to civil liability for physical injury, death or other losses caused by our products and to criminal liability and the revocation of our business licenses if our pharmaceutical products are found to be defective. In addition, we may be required to recall the relevant pharmaceutical products, suspend sales or cease sales. While we maintain product liability insurance and recall coverage to cover damages that may arise from product liability claims and product recalls, any product recall or the existence of any particular product liability claim or legal proceedings, including any allegation that our pharmaceutical products are harmful, whether or not ultimately proven, may adversely affect our reputation and sales volumes.

10. Our Company has availed unsecured loans from certain lenders that are repayable on demand. Any unexpected demand for repayment of such facility by such lenders may adversely affect our business, financial condition, cash flows and result of operations.

As on September 30, 2018, our Company has unsecured loans amounting to ₹ 4,810.74 lakhs from certain lenders including our Promoter that are repayable on demand. For further details of the outstanding borrowings of the Company including facilities repayable on demand and amounts outstanding thereof as on September 30, 2018, see “*Financial Indebtedness*” beginning on page 226 of this Draft Letter of Offer. In the event that these lenders call such unsecured loan, alternative sources of financing may not be available on commercially reasonable terms, or at all. Any such unexpected demand for repayment may materially and adversely affect our Company’s cash flows, business, financial condition, results of operations and cash flows.

Further, our Promoter, Omkar Herlekar, has also been advancing interest free unsecured loans to the Company, repayable on demand. As on September 30, 2018, our Promoter has advanced a sum of ₹ 3,080.04 lakhs as interest free unsecured loan at to our Company. Our Promoter through the letter dated October 3, 2018 (the “**Subscription Letter**”) has undertaken to subscribe, either through himself or through other members of the Promoter Group to subscribe to their Rights Entitlement in full in the Issue, in compliance with regulation 10(4) of SEBI Takeover Code.

Further our Promoter, Mr. Omkar Herlekar *vide* letter dated October 3, 2018 has requested our Company to adjust unsecured loan amounting to ₹ 3080.04 lakhs against his entitlement, including additional subscription, if any instead of seeking a repayment of the same. Our Promoter may keep advancing unsecured loans based on the requirements of the Company and the exact amount of unsecured loans to be adjusted shall be finalised at the time of filing of Letter of Offer. For further details on the repayment of secured loans availed from lenders, see “*Objects of the Issue*” beginning on page 65 of this Draft Letter of Offer.

11. If we are unable to adequately protect our intellectual property, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, other pharmaceutical companies could compete against us more directly, which may have a material adverse impact on our business and results of operations.

We have filed 6 patent applications in India and abroad which are process patents for various APIs. Our commercial success depends in part on our ability to protect our existing intellectual property and to obtain other intellectual property rights. See “*Business – Patents and Trademarks*” on page 122 of this Draft Letter of Offer for further details of our material intellectual property. If we do not adequately protect our intellectual property, competitors may be able to imitate our products, use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. Furthermore, we cannot assure you that any of our pending patent applications will mature into issued patents, or that such patents, if issued, will provide us with adequate proprietary protection or competitive advantages.

We have applied for certain registrations in connection with the protection of our intellectual property relating to trademarks of our products. Our Company has also applied for registration of the corporate logo “**LASA**” under the provisions of the Trademarks Act, 1999 and the same is pending before the Registrar of Trademarks. If we fail to receive the registration of our patents, we may be required to invest significant resources in developing a new process/product. Further, the intellectual property protection obtained by us may be inadequate and/or we may be unable to detect any unauthorized use and/or that we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition. Certain of our trademarks, including those for products which we currently sell, are unregistered, have expired, been removed, opposed, withdrawn, refused, objected or are otherwise under dispute. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position.

Moreover, intellectual property rights protection in India may not be as effective as in developed countries. Detecting and policing unauthorized use of proprietary technology are difficult and expensive. We may need to resort to litigation to enforce or defend patents issued to us or determine the enforceability, scope and validity of our proprietary rights or those of others. An adverse determination in any such litigation could materially impair our intellectual property rights. If our intellectual property rights are inadequate as a result of the narrow scope of the patents granted or third parties' infringement, or we otherwise fail to sufficiently protect our intellectual property, our business, financial condition and results of operations could be adversely affected.

12. We may face labour disruptions that could interfere with our operations.

We are exposed to the risk of labour stoppages at our manufacturing plants. While none of our employees are members of unions and we have not experienced difficulties with our labour relations in the past, we may experience a strike, work stoppage or other industrial action in the future. Although we believe that we have good industrial relations with our employees presently, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may adversely affect our operations by delaying or slowing down our production of pharmaceutical products, increasing our cost of production or even halting a portion of our production. This may also cause us to miss sales commitments, hurt our relationships with customers and disrupt our supply chain, further affecting our revenue and margins.

The success of our manufacturing activities depends on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shut down the affected manufacturing facility. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in us being unable to manufacture such product for the duration of such shut down. Such an event will result in us being unable to meet with our contractual commitments and supply chain, which will have an adverse effect on our business, results of operation and financial condition.

13. Compliance with, and changes in, safety, health and environmental laws and various labor, workplace and related laws and regulations may increase our compliance costs and as such adversely affect our business, prospects, results of operations and financial condition.

We handle dangerous materials including explosive, toxic and combustible materials. If improperly handled or subjected to unsuitable conditions, these materials could hurt our employees and other persons, cause damage to our properties, and harm the environment. We are, therefore, subject to a broad range of safety, health, environmental, labor, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling,

discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond prescribed limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

The adoption of stricter environmental, labor, health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Compliance with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. We are also subject to the laws and regulations governing relationships with employees in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labor and work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products.

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

We depend on third-party vendors and suppliers for the purchase of raw materials and equipment. We do not have any long-term purchase contract or pricing guarantees for the purchase of raw materials and equipment. Although we have been able to obtain adequate supplies for such raw materials and equipment in the past, we cannot assure you that we will be able to continue to obtain adequate supplies of such items in the future. Further, in the event of an increase in the price of raw materials, we cannot assure you that we will be able to correspondingly increase the price of our products. Any such reductions or interruptions in the supply of raw materials or equipment, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner, and may consequently affect our business, results of operations and financial condition.

Further, our third-party suppliers must comply with the regulations and standards of the regulatory authorities. Failure to comply with these regulatory requirements, or the receipt by these third-party suppliers of warning or deficiency letters from regulators could interfere with or disrupt our supply of key products, which could lead to the imposition of penalties by our customers and a loss of goodwill and business.

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

Our industry is constantly evolving due to technological advances and scientific discoveries. These changes result in the regular introduction of new products and significant price competition. If our pharmaceutical products and technologies become obsolete due to the discovery of new drugs or other factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements could adversely affect our business, results of operations, financial condition and cash flows.

16. We have a limited operating history and it is difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may not meet or exceed our past performance.

Our Company was incorporated on March 11, 2016 and began operations on May 2, 2017 when the entire veterinary API undertaking of Omkar Speciality Chemicals Limited, was vested in our Company pursuant to the composite scheme of arrangement sanctioned by the National Company Law Tribunal *vide* its Order dated April 13, 2017. Pursuant to a Scheme of Arrangement between Omkar Speciality Chemicals Limited and Lasa Supergenerics Limited and their respective shareholders, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited,

Rishichem Research Limited and Desh Chemicals Limited were amalgamated with Omkar Speciality Chemicals Limited and the Veterinary API undertaking of Speciality Chemicals Limited was vested in our Company with effect from May 2, 2017. Prior to the aforementioned Scheme of Arrangement, our Company was not doing any business. For further information on Scheme of Arrangement, see “History and Certain Corporate Matters” beginning on page 131 of this Draft Letter of Offer.

As a result of our limited operating history as a pharmaceutical company, there is limited historical financial and operating information available to help prospective investors to evaluate our past performance. Our business is growing and the results and amounts set forth in our financial statements may not provide a reliable indication of our future performance. Accordingly, you should evaluate our business and prospects in light of the risks, uncertainties and difficulties frequently encountered by both high growth companies that are in the early stages of development. Our failure to mitigate these risks and uncertainties successfully could materially adversely affect our business and operating results, and consequently result in a decline in the trading price of our Equity Shares.

17. A significant disruption to our distribution network or any disruption of civil infrastructure, transport or logistic services, may create delays in deliveries of products distributed by us.

As a manufacturing business our success depends on the smooth supply and transportation of various materials and inputs from different domestic and global sources to our plants, and of the products from our plants to our customers located globally, logistics of all of which are subject to various uncertainties and risks. We rely on various forms of transportation, such as roadways and railways, shipping and air cargo to receive raw materials required for our products and to deliver our finished products to our customers. Disruptions of transportation services because of weather related problems, strikes, lock-outs, terrorisms, inadequacies in the road infrastructure and port facilities, or other events, as well as the potentially inadequate transportation practices of handling agents, transportation service providers and other related agencies, could impair our ability to receive materials and other inputs and supply products to our customers. Unexpected delays in those deliveries, including due to delays in obtaining customs clearance for raw materials imported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Manufacturing delays or unexpected demand for our products may also require us to use faster, but more expensive, modes of transportation, which could adversely affect our gross margins. In addition, labor shortages or labor disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business.

We cannot assure you that disruptions in supply logistics will not occur in the future. Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. A significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure by us to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

18. Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.

Our principal types of coverage include damage to property, plant and equipment due to fire, burglary, product liability, and marine insurance to cover our products while they are in transit to distributor or customer locations. We also maintain insurance to safeguard the duty amount on our duty free imports for certain facilities. We also maintain directors and officers’ liability insurance for our existing key personnel. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be covered entirely, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. As on June 30, 2018, the total insurance coverage maintained by our Company is ₹ 28,462.00 lakhs. The total insurance coverage of ₹ 28,462.00 lakhs is 2.60 times the net assets of our Company as per the Restated Financial Information as of June 30, 2018. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see “Our Business – Insurance” on page 122 of this Draft Letter of Offer.

19. We do not have long-term agreements with most of our customers.

We do not have long-term agreements with most of our customers. Since the products' prices fluctuate, we don't enter into any long-term binding agreements. Additionally, even the customers don't opt for contracting into long term agreements in order to pursue lower favorable prices based on market observations. Customers with whom we do not have long-term agreements may choose to cease sourcing our products. In the event a customer ceases to use us as its preferred supplier for products that were specifically created for them, we cannot assure you that we will be successful in marketing those products to another customer. This could lead to a surplus of those products in our inventory. Further, we cannot assure you that we will be able to enter into new agreements or renew our existing agreements with customers on terms acceptable to us, or at all, which could have an adverse effect on our business, financial condition and results of operations.

20. The improper handling of any hazardous materials used in our operations could result in accidents and subject us to significant liabilities, which may have an adverse effect on our business, reputation, results of operations and financial condition.

We handle and use hazardous materials, chemicals, and other toxic and combustible materials in our manufacturing activities. The improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Further, the increase in our operations and the consequent increase in our employee base, increases the risk of safety hazards. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. Although we have not experienced any such accidents in the past at our facilities, we cannot assure you that we will not experience accidents in the future.

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

21. We are dependent on our senior management and qualified personnel including technical experts, researchers and scientists, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our senior management and performance and productivity of our operational managers. We believe that the inputs and experience of our senior management, in particular, the expertise, experience and services of our Managing Director and other Executive Directors are valuable for the development of business and operations and the strategic directions taken by our Company. For further information, see "Our Management" on page 136 of this Draft Letter of Offer.

We are also dependent on the principal members of our scientific staff including researchers and scientists, the loss of whose services might significantly delay or prevent the achievement of our business or scientific objectives. Our R&D team included 20 research professionals including research scientists as of September 30, 2018. Competition among life sciences research and innovative drug development companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success. We cannot assure you, however, that these individuals or any other member of our senior management team will not leave us or join a competitor. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations.

22. The interests of our Promoter or Directors may cause conflicts of interest in the ordinary course of our business.

Conflicts may arise in the ordinary course of decision-making by the Promoter or Board of Directors of our Company. Our Promoter or some of our non-executive Directors may also be on the board of certain companies engaged in businesses similar to the business of our Company. For instance, Harishree, one of our Group Companies is authorized to carry out business similar to ours, which is, business of manufacturing and processing of all kinds of chemicals,

drugs, intermediates, pharmaceuticals, fine chemicals etc. As on the date of this Draft Letter of Offer, Harishree is engaged in the business of trading and manufacturing a product called ‘Halquinol N-1’ alone, on job work basis for our Company which is used by us as a raw material. Further there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

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

The pharmaceutical industry is a highly competitive market with several major pharmaceutical companies present, and therefore it is challenging to improve market share and profitability. Some of our competitors, especially major pharmaceutical companies, are increasing their capacity and targeting the same products as us. 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 or a stronger sales force. Our competitors may succeed in developing products that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our business, results of operations and financial condition.

Our business faces competition from manufacturers of patented brand products who do not face any significant regulatory approvals or barriers to enter into the generic product 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. In addition, pharmaceutical products are largely commodity products and their prices can fluctuate sharply over short periods of time due to changes in demand, the price of raw materials and manufacturing efficiencies. Price competition among suppliers both in India and abroad is intense, with increasing competition from pharmaceutical companies in China and elsewhere that often price their products at lower rates than us. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected.

24. *Any negative cash flows in the future could adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.*

The following table sets forth certain information relating to our cash flows for the periods indicated:

Particulars	As on June 30,	Fiscal		
	2018	2018	2017	2016
Net cash generated from / (used in) operating activities	1,510.41	4,036.68	(300.30)	567.63
Net cash generated from / (used in) investing activities	(837.86)	(4,772.90)	(151.93)	(16,032.75)
Net cash generated from / (used in) financing activities	(516.75)	771.68	195.71	15,735.85
Net increase / (decrease) in cash and cash equivalents	155.81	35.48	(256.53)	270.74

We may experience negative operating cash flows in the future as well. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 211 of this Draft Letter of Offer.

25. *Underutilization of our manufacturing capacity could negatively impact our gross margins.*

We have invested significantly in our manufacturing capacity in order to vertically integrate our business and reduce the risks imposed by relying on third-party suppliers. We currently own and operate facilities that manufacture APIs. However, if market demand decreases or if market supply surpasses demand, whether because of macroeconomic factors, pharmaceutical industry volatility, or deficiencies specific to our customers, we may not be able to reduce manufacturing expenses or overhead costs proportionately. If an increase in supply outpaces the increase in market demand, or if demand decreases, the resulting oversupply could adversely impact our sales and result in the

underutilization of our manufacturing capacity, high inventory levels, changes in revenue mix and rapid price erosion, which would lower our margins and adversely impact our financial results.

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

We have in the past entered into transactions with our Promoter, Directors, Key Managerial Personnel and enterprises over which our Directors have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

For the period ending June 30, 2018, the aggregate amount of such related party transactions was Nil. In Fiscals 2018 and 2017, the aggregate amount of such related party transactions was ₹ 113.53 million and ₹ 280.71 million respectively. For details on our related party transactions, see "*Related Party Transactions*" on page 161 of this Draft Letter of Offer. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

27. *Our inability to manage growth could disrupt our business and reduce our profitability. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.*

Our growth strategies are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the budgeted cost and timelines. Further, on account of changes in market conditions, industry dynamics, technological improvements, changes in regulatory or trading policies or changes therein and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Additionally, there can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our growth plans. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

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

Our Company intends to use the Net Proceeds for the purposes described in "*Objects of the Issue*" on page 65 of this Draft Letter of Offer. Subject to this section, our management will have broad discretion on deployment of the Net Proceeds. Our funding requirements and the proposed deployment of the Net Proceeds of the Issue are based on management estimates, quotations and our current business plan, and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies.

Further, the deployment of the Net Proceeds will be at the discretion of our Company and we cannot assure you that we will be able to monitor and report the deployment of the net proceeds in a manner similar to that of a monitoring agency, in the absence of a requirement for us to appoint one under the SEBI ICDR Regulations. We may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board.

29. *We may face a risk on account of not meeting our export obligations. Our failure to fulfill these export obligations in full may make us liable to pay duty proportionate to unfulfilled obligation along with the interest.*

We have obtained advance licenses under the Foreign Trade (Development and Regulation) Act, 1992 issued by the Directorate General of Foreign Trade, Mumbai. As per the licensing requirement under the said scheme, we are required to export goods of a definite amount, failing which we will have to make payment to the Government of India equivalent to the duty saved by us along with the interest. As on June 30, 2018 the duty saved thereon is ₹ 160.46 lakhs and our Company had outstanding export obligations pursuant to the advance license scheme of ₹ 15.00

lakhs. In-case we fail to fulfil these export obligations in full; we will have to pay duty proportionate to unfulfilled obligation along with the interest.

30. *Certain premises, including our manufacturing facilities, Registered Office and Corporate Office are not owned by us and we have only leasehold or leave and license rights over them. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected.*

Certain premises used by our Company have been obtained on a lease basis. Our manufacturing facilities are operated on industrial land allotted to us by industrial development corporations, subject to various compliance requirements and approvals to be obtained from the industrial development corporations. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.

Further, our Registered Office and Corporate Office are held on long-term leases. We cannot assure you that we will be able to renew our lease agreements or enter into new agreements in the future, on terms favorable to us, or at all. In the event that any lease agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or building to set up our operations. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all, and we cannot assure you that a relocated office will be as commercially viable.

If a lease agreement is terminated, prior to its tenure or if it is not renewed, or if we are required to cease business operations at a property, for any reason whatsoever, our business, financial condition and results of operations may be adversely affected. Further, if the vacated property is leased or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect our market share. For further information on our properties, see “*Our Business – Properties*” on page 123 of this Draft Letter of Offer.

31. *The interests of our Promoter or Directors may cause conflicts of interest in the ordinary course of our business.*

Conflicts may arise in the ordinary course of decision-making by the Promoter or Board of Directors of our Company. Our Promoter or some of our non-executive Directors may also be on the board of certain companies engaged in businesses similar to the business of our Company. For instance, Harishree, one of our Group Companies is authorized to carry out business similar to ours, which is, business of manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals etc. As on the date of this Draft Letter of Offer, Harishree is engaged in the business of trading and manufacturing a product called ‘Halquinol N-1’ alone, on job work basis for our Company which is used by us as a raw material. Further there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

32. *Our Promoter, Directors and Key Managerial Personnel hold Equity Shares, and are, therefore, interested in our Company’s performance other than reimbursement of expenses incurred or normal remuneration of benefits.*

Our Promoter and certain of our Directors and Key Management Personnel, have interests in our Company other than to the extent of normal remuneration or benefits and reimbursement of expenses incurred. For further information, see “*Our Management*” on page 136 of this Draft Letter of Offer. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoter may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

33. *Industry information included in this Draft Letter of Offer has been derived from industry reports. There can be no assurance that such third party statistical, financial and other industry data in this Draft Letter of Offer may be complete or reliable.*

We have not independently verified data obtained from industry publications and other third party sources, referred to in this Draft Letter of Offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from these industry reports. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the Lead Manager or any of our

or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective 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 for other economies 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 may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

34. Credit and non-payment risks of our customers could have a material adverse effect on our business, financial condition and results of operations.

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 45 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. As at June 30, 2018, our total trade receivables amounted to ₹ 2,298.41 lakhs, out of which ₹ 735.54 lakhs was outstanding for a period exceeding six months. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

External Risk Factors

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

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

36. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.

The regulatory and policy environment in which we operate is continuously evolving and subject to change. Our business is subject to a significant number of state tax regimes and changes in legislations governing them, implementing them or the regulator enforcing them in any one of those jurisdictions could adversely affect our results of operations. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Central Government or state governments that affect our industry include Goods and Service Tax (GST) (earlier excise duties, service tax, sales tax/VAT), income tax and other taxes, duties or surcharges introduced from time to time and any adverse changes in any of the taxes levied by the Central Government or state governments could adversely affect our business.

The comprehensive national GST regime that has been granted Presidential assent on September 8, 2016. Further, as per notification dated June 28, 2017 by the Central Board of Excise and Customs, Ministry of Finance, certain provisions of the Central Goods and Services Tax Act, 2017 have come into force on July 1, 2017. The GST regime is an attempt to combine taxes and levies by the Central and State Governments into a unified rate structure. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or

amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Additionally, since GST regime is newly enacted legislation, it is subject to various challenges, which may require issue of clarifications from time to time by the relevant authorities. We cannot assure you that pending receipt of such clarification, our business, financial condition and results of operation may not be adversely affected. Further, the General Anti Avoidance Rules (“GAAR”) are effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

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

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

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “CCI”). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operation and prospects.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

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

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

39. *Our Company will not distribute the Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Letter of Offer/Abridged Letter of Offer and CAF (the “**Offering Materials**”) to the Shareholders who have provided an address in India for service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. However, the recently notified Section 20 of the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Offering Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its Shareholders to provide an address in India for the purposes of distribution of Offering Materials, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with Section 20 of the Companies Act, 2013 and may subject the Company to fines or penalties.

40. *The price of the Equity Shares may be volatile.*

The trading price of our Equity Shares may fluctuate after the Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian dairy industry and the perception in the market about investments in the dairy industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding new projects, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

41. *Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company’s significant shareholders may adversely affect the trading price of our Equity Shares.*

Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares.

In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

The amount of future dividend payments, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future.

43. *The Equity Shares and Equity Shares may experience price and volume fluctuations.*

The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalization and deregulation policies, and significant developments in India’s fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material

adverse effect on the market price of the Equity Shares. General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

44. Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between nonresidents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required. We have undertaken or recorded such transactions in the past based on a bona fide interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

45. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of the Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction. In accordance with the provisions of the Companies Act the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

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

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

47. Investors may not be able to enforce a judgment of a foreign court against us.

We are incorporated under the laws of India and all of our Directors and key management personnel reside in India. Majority of our assets, and the assets of certain of our Directors, key management personnel and other senior

management, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments.

India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the “CPC”). Further, the CPC only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a similar nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognized as a reciprocating territory by India, cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. As a result, the investor may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws. In addition, the regulatory regime of our various international territories may have similar restrictions on enforcement of foreign judgments.

PROMINENT NOTES

1. Issue of [●] Equity Shares for cash at a price of ₹ [●] (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 6,000.00 lakhs on a rights basis to Eligible Shareholders in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Share held on the Record Date.
2. Our Company was incorporated as “*Lasa Supergenerics Limited*” on March 11, 2016 as a public company under the provisions of Companies Act, 2013 having registration number 274202 of 2016 with the RoC.
3. Our Company’s net worth as on March 31, 2018 and as on June 30, 2018, as restated, was ₹ 11,746.06 and ₹ 11,557.97 lakhs respectively.
4. The NAV per Equity Share of our Company as on March 31, 2018 and as on June 30, 2018, as restated, was ₹ 48.64 and ₹ 47.82 respectively.
5. For details of our transactions with related parties, including with our Group Companies, during the Fiscal 2018 as per AS 18, the nature of such transactions and the cumulative value of such transactions, see “*Related Party Transactions*” on page 161 of this Draft Letter of Offer.
6. For information regarding the business or other interests of our Group Companies in our Company, see “*Our Group Companies*” and “*Related Party Transactions*” on pages 157 and 161, respectively of this Draft Letter of Offer.
7. There has been no financing arrangement whereby our Promoter, the Promoter Group, the Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity.
8. Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the Lead Manager who has submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Unless otherwise stated, the information in this section is derived from “Global Veterinary Industry Overview” dated June 5, 2018 by Knowledge Resources Group. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

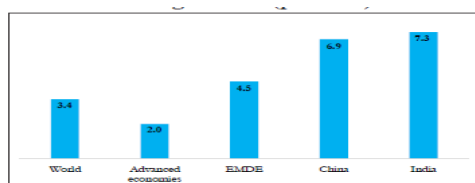
Global Economic Environment

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year. (Source: Economic Survey 2017-18, www.indiabudget.nic.in)

An Overview of India’s Economic Performance

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Gross Domestic Product (GDP) growth averaging 7.5 per cent between 2014-15 and 2016-17, India can be rated as among the best performing economies in the world on this parameter. Although growth is expected to decline to 6.5 per cent in 2017-18, bringing the 4-year average to 7.3 per cent, the broad story of India’s GDP growth to be significantly higher than most economies of the world does not alter. The growth is around 4 percentage points higher than global growth average of last 3 years and nearly 3 percentage points more than the average growth achieved by emerging market & developing economies (EMDE) (Figure 1).



Source: Based on IMF’s World Economic Outlook Database (October 2017)

From a low of 5.5 per cent in 2012-13, growth in GDP steadily improved for 3 years and peaked in 2015-16, particularly in fourth quarter (Q4) when it printed 9.1 per cent (GVA growth also peaked in Q4 of 2015-16). However, growth started slowing down from first quarter (Q1) of 2016-17. GDP and GVA growth slowed to 6.1 per cent and 5.6 per cent respectively in Q4 of 2016-17. GDP growth further declined to 5.7 per cent in Q1 of 2017-18. However, the second quarter (Q2) of 2017-18 witnessed reversal of declining trend of GDP growth, with growth increasing to 6.3 per cent.

The growth in nominal GDP in 2016-17 is estimated to be 11 per cent and it is expected at 9.5 per cent in 2017-18 on account of both lower real growth as well as lower value of deflator in 2017-18. The growth of nominal GVA in these two years is estimated to the 9.7 per cent and 9.0 per cent respectively. The differences in the nominal growth between

GVA and GDP have also increased in the last few years. This is indicative of an increase in the share of net indirect taxes in GDP.

Government Initiatives

In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Exchange Rate Used: INR 1 = US\$ 0.0156

Global Industry Snapshot

The global veterinary industry is making rapid strides across the globe, ripe with potent possibilities on the back of a pronounced tech-enablement of products and services, penetrating R & D initiatives of industry players and potent market inroads into hitherto untapped regions of the world, especially the developing economies.

Veterinary R&D is reasonably predictable and cost effective, as most animal health drugs originate from human health or crop protection products. This industry is predominantly branded generic in nature, as patented products comprise less than 20% of total market offerings, and most corporate players are typically subsidiaries of pharma majors that are focused on human healthcare. Notably enough, even the fringe players have grown at higher than industry rates. (Source: Animal health Asia, Market data forecast)

A BRICS Perspective

Due to market globalisation and liberalisation, countries outside the EU and USA are becoming increasingly attractive. Amid the economic stagnation in the EU today, the economic potential of newly industrialised nations such as Brazil, Russia, India, and China (abbreviated BRIC countries) is increasing rapidly at the same time and the markets for veterinary medicinal products (VMPs) can benefit from the rapid growth of those emerging markets. In its last global benchmarking survey from 2011, the International Federation for Animal Health (IFAH) points out that there is a slowing growth in the farm animal sector in Europe and the USA, accompanied by a much stronger growth in China, India, and parts of South America. In addition, the IFAH observed a long-term growth in other emerging markets.

Global Market Specifics, Size and Scope

The global animal healthcare market is fragmented with the top three players accounting for a mere 37% of the market share. Bayer, Novartis, Virbac, Ceva, Boehringer, Elanco and Vetoquinol are some of the established global players. Prominent regional players in different countries include Vallee and Ouro Fino in Brazil, China Animal Husbandry Industry Co. Ltd and Yebio Bioengineering Co. Ltd in China, Venky's in India, and Provimi Animal Nutrition in Netherlands.

The market is highly volatile with a lot of mergers, acquisitions and joint ventures taking place in the last few years. Competition is expected to diminish eventually due to snowballing consolidation.

Key Segments

By Animal Type

The global animal population grew significantly in the past few years, due to growing consumption of animal protein. This coupled with rising per-capita income escalated the demand for animal healthcare products for production animals. The companion animal population also grew significantly in the past few years, mostly in the developing countries of Asia-Pacific and the Middle East.

Production Animals segment is projected to grow at the fastest CAGR over the forecast period to reach a value of US\$ 35,041.9 Mn by 2027 end. Companion Animals segment is expected to gain a market value of US\$ 13,725.0 Mn in 2017 and is projected to grow at a CAGR of 3.6% over the forecast period.

India, Italy, and Brazil are fastest growing markets for companion animal healthcare products, driven by a growing animal population. Some markets, including Italy and Australia, have been adversely affected due to declining population of production animals in these countries.

(Source: Future market Insights)

India has witness health growth in Major Livestock products. The following table gives the production of Major livestock products in India from year 2001-2015.

Source: (Annual Report 2016-17, DAHD, Govt. of India), KRG

Indian Industry Snapshot

The Indian Animal Health Industry has played a vital role in safeguarding the animal husbandry interests of the nation. The Indian animal healthcare market is around USD688 million by 2017. The species share in AH market is 50% for livestock, 40% for poultry, 5% for companion animals and rest 5% for other remaining animals. Though there are no published data, INFPAH anticipates the contribution of various categories of animal health products as 40% for feed supplements, 17% for antibacterials, 15% for biosecurity, 13% for antiparasitics, 5% for hormones and biologicals and 10% for other categories. There are nearly 50 major companies operating in Animal health market in India, though top 10 players dominate the market.

Source: Annual Report 2016-17, DAHD, Govt. of India, KRG

Sectoral Momentum

According to estimates of the Central Statistics Office (CSO), the value of output livestock sector at current prices was about ₹ 5,91,691 crore during 2015-16 which is about 28.5% of the value of output from agricultural and allied sector. At constant prices the value of output from livestock is about 29% of the value of the output from total agriculture and allied sector.

India is the highest beef exporter in the world alongside Brazil with total meat production registering a growth of 8.74 per cent to 2.43 million tonnes between July and October FY2016-17, as against 2.24 million tonnes for the same period during FY2015-16. Nearly ~47.86 per cent of the meat produced came from poultry and 20.11 per cent from buffaloes. India's broiler production during 2017 is projected to increase by ~7 per cent to 4.5 million tonnes on the back of increasing demand from the growing middle class. Egg production in 2017 is forecast to reach 84 billion, up by 5 per cent. With increase in the population of the affluent class, the number of pet animals has also increased. India has vast resource of livestock and poultry, which play a vital role in improving the socio-economic conditions of the rural masses. (Source: Indo Asian Communities, DAHD)

Government Thrust

Livestock health and disease control: The Government of India is implementing a centrally-sponsored scheme called Livestock Health & Disease Control during the 12th Five Year Plan period at a cost of 3,114 crore.

Classical Swine Fever control programme: Funds will be provided to the State Governments for vaccinating pigs in a phased manner starting with the North Eastern states. Depending on vaccine availability, the scope of the programme will be enlarged to cover the entire country.

Spotlight on Animal Health APIs

Based on a global study of five regions including North America, Latin America, Europe, Asia Pacific and the Middle East and Africa and key API type segments including Antiparasitics, Antiinfectives, NSAIDs & Anesthetics and other APIs like Anticancer, Gastroenteric, Cardiovascular, and Beta Agonists.

Introduction

Shifting pharmaceutical manufacturing base to developing countries makes good business sense due to lower cost of manufacturing, increasing FDI & government support. Asia Pacific region is specifically suited for facility upgradations due to less regulatory permissions while Brazil and Russian markets are conducive due to the government support to new pharma manufacturing facilities. Increasing infrastructure and healthcare facilities for animal healthcare are aiding the growth of the global animal health Active Pharmaceutical Ingredient (API) market.

Leading APIs

Antiparasitic animal health API has the highest market share and growth rate in the overall global market. This segment is anticipated to dominate the global animal health active pharmaceutical ingredient market in revenue terms in 2017, and the trend is projected to continue throughout the forecast period. The antiparasitic API type segment is expected to grow from more than US\$ 2,500 Mn in 2017 to over US\$ 3660 Mn by 2022 end. Anti-infectives API is expected to be the second largest market, with a market attractiveness index of 1.3.

Consumption pattern

API consumption patterns are different from production patterns over the globe, as Asia Pacific has the largest market size in producing animal APIs and North America has the highest consumption because of many big pharmaceutical companies present in the region along with a high demand for animal pharmaceuticals in the region.

Key Risks

A wide range of human drugs continues to be applied in the veterinary space without approved animal therapies. This is a huge threat to the overall animal healthcare pharmaceutical business. The animal health API market is highly fragmented, greatly affecting the overall business as in pricing regulations, stringency in rules and regulations, and monitoring difficulties. Further, illegal market threats like selling of APIs directly to animal owners for use as drugs adversely affect the whole value chain and the B2B API business.

A Macro Look at the Indian API Industry

Active pharmaceutical ingredients are manufactured from raw materials through both chemical and physical means. Depending on the complexity of the molecule required, synthesis of APIs might need multi-step complex chemistry utilizing a range of processing technologies.

Top API Manufacturers

The leading manufacturer of APIs today is TAPI (Teva Active Pharmaceutical Ingredients). Specializing in range of API-related fields, TAPI works in areas such as chemical synthesis, fermentation, chromatography, and plant extraction and now has the industry's largest portfolio of over 300 API products.

Dr. Reddy's is another leading manufacturer with 60 APIs for drug use, diagnostic kits and biotechnology products. Aurobindo and Cipla manufacture 200 APIs each, exporting their products to well over 200 countries worldwide. Other notable manufacturers are Sandoz-Lek-Biochemie, Ranbaxy, Matrix and Sun.

API Outsourcing

APIs are commonly referred to as 'bulk pharmaceuticals' and are in fact usually made in places at quite a distance to where tablets, suspensions and liquids are manufactured. Today, the greatest concentrations of API manufacturers are located around Asia, specifically in India and China. This has seen more companies outsourcing API manufacturing to such places, which has the main benefit of eliminating the need to invest in highly expensive equipment and infrastructure – which on top of everything can also be complicated to install and maintain. A good example can be

found with AstraZeneca, who manufacture 85% of its APIs but are currently in the process of withdrawing from all API production in favour of outsourcing.

Regulations

Regardless of where the active pharmaceutical ingredient is made, companies must adhere to strict safety and quality standards set by the country where it will be used. So those APIs manufactured in China or India for use in the United States must still be inspected and licensed by the FDA. Similarly, if the API is intended for use in Europe, they would need to meet regulations set by the European Medicines Agency. Regular inspection outside the country of use however can prove difficult with counterfeiting and contamination being high on the list of various agencies' concerns. For instance, since 2008, the FDA has considerably increased its overseas staff as a way of attempting to eliminate these problems. As a result, countries such as India have gained their foothold in the global market and now have around 75 FDA-approved manufacturing facilities for API synthesis.

Green Initiatives

Today there's a clarion call for API manufacturers to go green – that is to say, to reduce the waste they produce. Every year, large pharmaceutical manufacturers can produce anywhere from 3000 to 5000 tons of hazardous waste each. If one were to ask any reputable API manufacturer how they would like to improve the process, they'd likely say to make the reactions faster, or to make them cheaper. Ironically the first steps in reducing waste from API synthesis would be to reduce the number of reactions required to produce a given molecule. Therefore, though the goal may be different, the means turn out to be the same as fewer reactions mean less solvent to dispose of. Another step in going green is to find different solvents and catalysts that are not only more efficient but also better for the environment.

Indian Pharma: A Ready Reckoner

With health care delivery bursting at the seams of new possibilities of measurable value in terms of desired patient outcomes rather than mere drug administration, India has the scope and size to move up the value chain of innovation credibly and consistently.

Opportunities abound in various forms and triggered by various reasons. For instance, the UN-backed Medicines Patent Pool has signed six sub-licences with Aurobindo Pharma, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, for manufacture and delivery of the generic anti-AIDS drug Tenofovir Alafenamide (TAF) to as many as 112 developing countries. Another rich prospect for Indian drug makers is Japan's growing generic market which is all set to explode given the significantly large ageing population and sky rocketing medical costs.

India Pharma – Market Overview

Key Segments

Active Pharmaceutical Ingredients (APIs)

- India became the third largest global generic API merchant market in 2016, with a 7.2 per cent market share
- The Indian pharmaceutical industry accounts for the 2nd 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 US\$ 18 billion in 2018 and expected to witness a strong growth at a CAGR of 18-20 per cent between 2013-18

Formulations

- Largest exporter of formulations in terms of volume, with 14 per cent market share and 12th in terms of export value. Drug formulation* exports from India reached US\$ 9.57 billion during April – December 2017.
- Domestic market size currently valued at US\$ 11.2 billion
- Double-digit growth expected over the next five years Biosimilars
- The government plans to allocate US\$ 70 million for local players to develop Biosimilars.

- The domestic market is expected to reach US\$ 40 billion by 2030

India Pharma - Value Proposition

Cost advantage:

Low cost of production and R&D boosts efficiency of Indian pharma companies India's cost of production is approximately 33 per cent lower than that of the US. Due to lower cost of treatment, India is emerging as a leading destination for medical tourism. India's ability to manufacture high quality, low priced medicines, presents a huge business opportunity for the domestic industry

Economic boost

- Improved drug affordability
- Increasing penetration of health insurance
- With increasing penetration of pharmacies, especially in rural India, OTC drugs will be readily available

Portfolio Spread

- 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
- More than half of all 345 drug master filings (DMFs) in the USA in Q4 2016 and Q1 2017 were from India

Policy Support

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

SUMMARY OF BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us, our Restated Financial Information, including the notes thereto, in the chapters "Risk Factors", "Industry Overview", "Financial Statements", and "Management's Discussion and Analysis of Financial Condition and Results of Operation" on pages 16, 84, 163 and 211 of this Draft Letter of Offer respectively.

Overview

We are an R&D focused, vertically integrated pharmaceuticals company engaged in the development and manufacturing of active pharmaceutical ingredients ("APIs") primarily used for veterinary health care. As of September 30, 2018, we have a diverse mix of more than 13 niche anthelmintics i.e., veterinary API products, including Piperazines, Benzimidazole, Heterocyclics etc. We sell APIs to customers in domestic and various international markets including China, Germany, and Egypt. We have the capabilities to develop and manufacture products with multi-step synthesis which may comprise of semi synthetic fusion technologies, high-potency APIs and peptide chemistry. As of September 30, 2018, we have filed 10 active Drug Master Files ("DMFs") with the United States Food and Drug Administration for our API products in therapeutic areas such as anthelmintic, disinfective, phosporous supplement, anti-protozoal etc. Our top five revenue generating products are Albendazole, Fenbendazole, Halquinol, Nitroxynil and Povidone Iodine.

Our Company has a fully backward integrated API manufacturing model, which aids in lowering product costs. We also place a great deal of focus on use of catalysts in the API manufacturing process which has helped us increase our gross profit margins.

Our Company was incorporated in Mumbai, Maharashtra, India as a public limited company on March 11, 2016, under the name of Lasa Supergenerics Limited. Pursuant to a Scheme of Arrangement between Omkar Speciality Chemicals Limited and Lasa Supergenerics Limited and their respective shareholders, Lasa Laboratory Private Limited, Urhdwa Chemicals Company Private Limited, Rishichem Research Limited and Desh Chemicals Limited were amalgamated with Omkar Speciality Chemicals Limited and the Veterinary API undertaking of Omkar Speciality Chemicals Limited was vested in our Company with effect from May 2, 2017. For further information on Scheme of Arrangement, see "History and Certain Corporate Matters" beginning on page 131 of this Draft Letter of Offer.

Our product portfolio comprised of 13 products as of September 30, 2018 and is primarily focused on APIs. We have developed capabilities in the commercialization of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects. We have strong sales, marketing and distribution capabilities in India with dedicated sales divisions focused on developing and growing our engagement with specialists and super specialists.

Our business operations are supported by modern manufacturing facilities located in India. We have 4 facilities with a total reactor capacity of 1,000 KL located at Mahad and Chiplun, Maharashtra, engaged in the manufacture of APIs, out of which one unit is FDA approved and WHO c-GMP certified. Our facilities are primarily engaged in the manufacture of Albendazole which is an API used in the animal health products. We believe that our experience in animal health segment, our dedicated manufacturing facilities and our growing product portfolio would enable us to capitalise on the growth in the animal health segment in India as well as globally.

In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations, and has substantial experience in pharmaceutical sales and marketing. Our R&D efforts are primarily focused across the value chain of generics development for API process development. We have a team of 20 persons working at our R&D facility in Mahad. We have in the past built a comprehensive portfolio of animal health APIs based on our research and development activities, and boast of a substantial customer base for each of our products. Our total expenditure on R&D was ₹ 208.15 lakhs constituting 0.95% of total revenue, ₹ 1,231.37 lakhs constituting 4.94% of total revenue and ₹ 9.00 lakhs constituting 0.27 % of total revenue for Fiscal 2017, Fiscal 2018 and period ended June 30, 2018 respectively. We have also applied for 6 process patents worldwide and the same are pending before the Office of the Controller General of Patents, Designs & Trade Marks ("CGPDTM").

For Fiscals 2016, 2017, 2018 and period ended on June 30, 2018, our revenue from operations was ₹ 16,906.53 lakhs, ₹ 21,822.92, ₹ 24,583.88 lakhs and ₹ 3292.06 lakhs respectively, while our profit after tax was ₹ (257.67) lakhs, ₹

234.59, ₹ 1203.39 lakhs and ₹ (188.08) lakhs respectively. For Fiscals 2016, 2017, 2018 and period ended on June 30, 2018, our EBITDA was ₹ 1768.59 lakhs, ₹ 2150. 87 lakhs, ₹ 4474.34 lakhs and ₹ 623.46 lakhs respectively.

Our strengths

The following are our key strengths which we believe enable us to be competitive in our business:

Focused approach to product selection targeting high-barrier-to-entry products

Our product portfolio is predominantly focused on high-barrier-to-entry products that are either difficult to formulate or manufacture. We believe we have a differentiated business model among Indian pharmaceutical companies due to our focus on a range of complex products and drugs. As of September 30, 2018, our portfolio includes 65 approvals, including tentative approvals, and one of our key product launches within the last twelve months, is the product Ornidazole.

Our Company focuses on creation of entry barriers in order to improve our customer base and enhance our business and our presence in the global markets. Our API manufacturing model, which is fully backward integrated, involves using basic petrochemical derivatives to APIs. Our backward integrated model significantly reduces our dependency on intermediaries in the supply chain.

Further, our manufacturing process involves reliance on catalysts chemistry for the benefits yielded in the reactions which are employed to manufacture our products.

The following are some of the many benefits or effective utilization of catalyst chemistry in the reactions:

- Reduction in the time cycle;
- Increase in productivity;
- Decrease in labour costs;
- Reduction in cost of electricity and coal;
- Reduction in cost of raw materials;
- Increase in gross profit margins;
- Less dependency on import of raw materials; and
- Significant reduction in by-products and effluent discharge.

We have filed six process patents for the efficient processes we employ, which restrain our competitors from availing the benefits of these efficient processes. Thus, through backward integration and the process patents for our catalyst backed products, we create entry barriers and also significantly reduce our product cost.

We have adopted a vertically integrated business model with manufacturing, marketing, distribution and R&D capabilities related to APIs. Our integrated business model ranging from petrochemical to APIs allows us to reduce dependency on third parties thereby reducing risk of unfavorable terms of supply such as high pricing and long lead time for delivery. It also enables us to strengthen our position with respect to cost effective manufacturing. This business model has also enabled us to consistently improve our manufacturing cost-efficiencies and the turnaround time for customer orders. We have leveraged our large production capacities and our integrated operations to develop a strong business by producing quality formulations at competitive prices.

Manufacturing facilities with focus on quality assurance

We operate 4 facilities engaged in manufacturing of APIs in India. Our API products are manufactured at one facility at Mahad and three at Chiplun, Maharashtra. In order to serve our domestic and export markets, we have developed an infrastructure of formulations and API manufacturing facilities which have been built in accordance with the WHO current good manufacturing practice (“cGMP”) guidelines. All our manufacturing facilities have been approved by the Food and Drugs Administration. Each of our manufacturing facilities have separate quality control units to monitor the quality of our products. For further details, see “*Business – Manufacturing Process*” on page 114 of this Draft Letter of Offer.

All our manufacturing facilities have the capability to manufacture small to large volume products providing us the flexibility to meet varying customer requirements. Further, since the pharmaceuticals business operates in a highly regulated environment, we have implemented a well-defined quality management system at our manufacturing facilities which cover all areas of our business processes from supply chain to product delivery. Additionally, all

activities which can have a direct or indirect impact on the quality of the products are controlled through standard operating procedures. We believe that our vertically integrated manufacturing facilities have helped our Company in moving up the value chain while enabling us to control production costs and reduce third party dependency, which in turn helps us to develop relationships with our customers.

We believe quality is a key differentiator in our business and have adopted uniform manufacturing standards across all our facilities to achieve standardized product quality for all our markets. We have in the past, leveraged our existing relationship with our customers to extend our product offerings to a particular customer as well as increase our product offerings to them in other geographies. We believe that our manufacturing facilities, quality assurance procedures and adherence to environment, health and safety standards have allowed us to strengthen our relationships with our customers and ensure that our product offerings keep pace with our client requirements.

Comprehensive product offering and strong research and development capabilities

We have a portfolio of 13 products in the animal health API segment along with a pipeline of 12 products. Further, we have filed DMFs for 8 of our APIs in addition to EDMF filing for 2 APIs. Additionally, our Company has also filed 2 CEP Applications with the European Directorate for the Quality of Medicines, having successfully cleared the EU Audit, paving the way for business from domestic players which export formulations to the European market.

Our research and development, and Quality Assurance and Quality Control centers are located at Mahad and Chiplun and are an integral part of our operations. The key objectives of our R&D initiatives are the development of new products, process research, commercial scale-up; developing New Drug Delivery Systems (“**NDDS**”) for the existing products in order to augment the product benefits, developing formulations so that these can be manufactured in-house in order to ensure better quality control & cost savings, development of processes using green technology to minimize wastage and ensure environment friendliness and development of analytical methods, documentation and patent registrations. The developments and advances made by the research and development team are some of our key strengths and have enabled us to develop a healthy product pipeline.

Experienced Management Team

We are led by a qualified and experienced management team which we believe has the expertise and vision to grow our business. We have been able to attract and retain senior and middle-management executives from top tier organizations. We believe that the knowledge and experience of our senior and our middle-level management provides us with a significant competitive advantage as we seek to expand our business in existing markets and enter new geographic markets. Our Managing Director, Omkar Herlekar has more than one decade of experience across business and technical functions, and is the Promoter of the Company.

We believe that we will be able to continue to capitalize on the pharmaceuticals domain knowledge, professional management skills, operating experience and execution capability of our senior management provides as we seek to successfully implement our growth strategies, including expanding in our existing markets and entering new geographic markets.

Our Strategies

Our business objective is to grow our business, increase our revenues and profits through focus on creation of entry-barriers and utilizing our business model to increase our market presence. We intend to do so by increasing our product offerings through strategic business arrangements as well as by maintaining our focus on our business. Our business strategy focuses on the following elements:

Continue to build R&D capabilities to create a differentiated portfolio

We intend to continue our focus on limited competition legacy products as well as growing our presence in domains where we are currently present. We use basic petrochemical derivatives to develop basic organic molecule, basic intermediate to advanced intermediate, N-1 to API products. In order to complement our drug development programs, we will continue to explore product-focused license acquisition opportunities for third-party proprietary products, particularly for products that are complementary to our existing product portfolio, and where we can effectively employ our sales and distribution network and manufacturing capabilities towards successfully commercializing those products.

We intend to continue our focus on to increase our portfolio of differentiated products as well as expanding our presence in segments where we are currently present. We believe the continued expansion of our product portfolio will enable us to achieve significant operational efficiencies that will drive our profitability. We also believe an expanded portfolio will enable us to better utilize our production capacity and increase returns on our investment in our production facilities.

No Product Dependency

We believe that we have emerged as the leader in ‘catalyst Chemistry’. The advanced knowledge and research of catalyst chemistry we possess, and application thereof in our manufacturing facilities yields several benefits for our products and for our business.

Our Company has a diverse mix of over 13 niche anthelmintics. The company’s top 7 products, which are Albendazole, Fenbendazole, Nitroxynil, Oxfendazole, Toldimphos Sodium, Providon Iodine and Halquinol contribute to 80% its top-line. With a global footprint spread across 27 developed countries, our Company has a total of over 350 domestic and global customers in its products, and enjoys about 35% market share in the Indian veterinary healthcare industry.

To upgrade and expand manufacturing facilities for increase in capacities

We continue to upgrade and expand the manufacturing capabilities of our facilities. All our manufacturing facilities operate under stringent manufacturing and quality control procedures. We continuously modernize and upgrade manufacturing facilities to meet evolving industry standards to assure products of high quality and standards. We continue to focus on improving cost efficiencies and productivity by continually improving and upgrading processes to meet the needs of the complex nature of the manufacture, storage and marketing of these products.

Leverage relationship with leading global pharmaceutical companies in the animal health segment, most of whom are our existing customers in animal health API business

We intend to grow our animal health API business by leveraging our established relationship with global pharmaceutical companies by increasing the range of animal health API products which we supply to them and the geographies in which we supply such products to them. This is in turn is backed by our strong research and development which is currently striving towards expanding our product range in the animal health segment.

We believe that our growth in international markets will result from the growing demand for pharmaceuticals, access to affordable high - quality medicine and new product opportunities. Our manufacturing facilities complying with international standard will help us to increase our international business. Our broad strategic initiatives for international markets include offering a wide product portfolio with a well-established product pipeline to support the growth in our existing markets, developing a broader market penetration strategy, territory-specific marketing and establishing our presence in developed markets such as Europe.

Cost competitiveness and high quality of products

We believe that we are cost competitive owing to our integration and competent in-house manufacturing processes as an integrated pharmaceutical company. Due to benefits from a cost effective pool of talent for our R&D activities, efficient supply chain management of raw materials, outflow of finished goods and management of working capital via the vertical integration of our business and due to the economics of scale, we believe we can be successful in all areas of our operations. The high quality, efficiency and complexity of our manufacturing processes, products and services also pose a substantial competitive barrier for our competitors.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Company's Restated Financial Information for Fiscal 2016, Fiscal 2017 and Fiscal 2018 and three months' period ended on June 30, 2018 and the related notes and annexures thereto. These financial statements have been prepared in accordance with the Ind AS, the Companies Act and the SEBI ICDR Regulations and presented under "*Financial Information*" on page 163 of this Draft Letter of Offer. The summary financial information presented below should be read in conjunction with our Restated Financial Information, the notes thereto and "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 163 and 211, respectively of this Draft Letter of Offer.

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Restated Summary Statement of Assets and Liabilities
(₹ in lakhs)

Particulars	As at			
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
			(Proforma)	(Proforma)
ASSETS				
Non-current assets				
Property, Plant and Equipment	16,725.81	16,364.77	11,285.57	10,434.40
Capital Work in Progress	695.79	698.78	2,933.59	4,384.78
Intangible assets	599.39	599.39	597.76	597.76
Intangible assets under development	25.10	25.10	17.14	17.14
<u>Financial Assets</u>				
Non Current Investments	0.10	0.10	0.10	0.10
Loans	72.41	71.81	49.81	61.62
Other non-current assets	-	-	-	-
Sub-total	18,118.60	17,759.95	14,883.97	15,495.80
Current assets				
Inventories	3,994.94	4,223.45	3,345.85	1,982.18
<u>Financial Assets</u>				
Trade receivables	2,298.41	4,215.11	3,497.05	2,099.51
Cash and cash equivalents	205.50	49.69	14.21	270.74
Bank balances other than cash & cash equivalents	216.84	213.79	102.02	91.69
Loans	5.60	5.60	-	-
Other current assets	2,147.79	2,210.44	981.57	1,299.64
Sub-total	8,869.08	10,918.09	7,940.69	5,743.77
TOTAL ASSETS	26,987.68	28,678.04	22,824.66	21,239.56
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	2,286.44	2,286.44	5.00	5.00
Equity -Pending Allotment	-	-	2057.80	2057.80
Other Equity	9,271.53	9459.61	5529.40	5296.03
Total Equity	11,557.97	11,746.06	7,592.20	7,358.83
LIABILITIES				
Non-current liabilities				
<u>Financial Liabilities</u>				
Non Current Borrowings	6,417.04	6,026.99	8,068.03	7,449.68
Provisions	25.35	23.75	13.57	8.09
Deferred Tax Liabilities / (Asset)	7.13	36.70	109.61	161.90
Sub-total	6,449.52	6087.44	8191.21	7619.67
<u>Current liabilities</u>				
<u>Financial Liabilities</u>				
Current Borrowings	2,339.25	2,983.04	2,318.51	1,763.65
Trade payables	3,484.53	4,793.52	2,538.40	3,189.96
Other financial liabilities	1,882.50	1,711.89	1,228.46	421.28
Other current liabilities	711.37	815.33	496.15	573.75
Provisions	151.41	129.31	210.88	62.45
Current tax liabilities (net)	411.11	411.44	248.85	249.97
Sub-total	8,980.17	10844.53	7,041.25	6,261.06
Total Liabilities	15,429.69	16,931.97	15232.45	13880.73
Total Equity and Liabilities	26,987.68	28,678.04	22,824.66	21,239.56

Restated Summary of Profit and Loss for the period

(₹ in lakhs)

Particulars	For the period ended June 30, 2018	Fiscal 2018	Fiscal 2017 (Proforma)	Fiscal 2016 (Proforma)
INCOME				
Revenue from operations	3,292.06	24,583.88	21,822.92	16,906.53
Other income	101.89	348.66	217.41	67.07
Total Income	3,393.95	24,932.54	22,040.33	16,973.60
EXPENSES				
Cost of materials consumed	1,701.12	17,205.86	14,167.04	10,860.31
Cost of traded goods	599.79	-	-	-
Changes in inventories of finished goods, work in process and stock in trade	(184.29)	(55.34)	(1,078.36)	(1,367.91)
Excise Duty	-	231.29	1,947.79	2,159.90
Employee benefits expense	268.22	1,027.09	955.46	562.92
Finance costs	360.97	1,134.35	1,167.72	1,116.74
Depreciation and amortisation expense	480.13	1,816.66	768.81	517.05
Other expenses	385.65	2,049.30	1,278.51	1,115.61
Total expenses	3,611.59	23,409.21	19,206.96	14,964.62
Profit / (Loss) before Exceptional items & tax	(217.64)	1,523.33	2,833.37	2,008.97
Exceptional Items	-	-	2,619.10	1,874.17
Profit / (Loss) before tax	(217.64)	1,523.33	214.26	134.81
Tax expenses				
- Current tax	-	392.31	32.05	18.51
- MAT (Entitlement)	-	(493.91)	(31.72)	(15.29)
- (Excess)/Short Tax provision for earlier years	-	-	-	34.49
- Deferred tax	(29.56)	421.54	(20.57)	354.77
Total tax expense	(29.56)	319.94	(20.24)	392.48
Profit / (loss) for the year	(188.08)	1203.39	234.59	(257.67)
Other Comprehensive Income				
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Remeasurement of employee defined benefit obligation	-	(2.16)	(1.64)	-
Income tax relating to items that will not be reclassified to profit or loss	-	0.56	0.42	-
	-	(1.61)	(1.21)	-
Total comprehensive income for the year	(188.08)	1201.78	233.38	(257.67)
<u>Earning per Equity Shares (Nominal Value of share Rs.10/-)</u>				
Basic (Rs.)	(0.82)	5.29	1.14	(1.25)
Diluted (Rs.)	(0.82)	5.29	1.14	(1.25)

Restated Summary Statement of Cash Flows for the period
(₹ in lakhs)

Particulars	As on June	Fiscal 2018	Fiscal 2017	Fiscal 2016
	30, 2018		(Proforma)	(Proforma)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net (loss) / profit before tax	(217.64)	1,523.33	214.35	134.81
Adjustments for				
Depreciation and Amortisation Expense	480.13	1,816.66	768.81	517.05
Finance Costs	269.34	797.63	980.66	1,094.69
Interest Expense on amortisation of financial liability	91.63	336.72	187.06	22.04
Interest Income	(3.37)	(9.51)	(27.18)	(10.17)
Remeasurement of employee defined benefit obligation	-	(2.16)	(1.21)	-
Interest income on amortisation of financial asset	(97.97)	(330.45)	(190.23)	(22.75)
Unwinding of financial instruments	(0.40)	(1.40)	-	-
Provision for doubtful debts and advances (net)	-	-	15.00	35.00
Operating profit before working capital changes	521.72	4,130.82	1,947.25	1,770.66
Working capital adjustments: -				
(Increase) / Decrease in Trade and Other Receivables	1,916.70	(718.06)	(1,412.54)	(2,134.51)
(Increase) / Decrease in Inventories	228.51	(877.61)	(1,363.66)	(1,982.18)
(Increase) / Decrease in Loans	(0.20)	(26.21)	11.81	(61.62)
(Increase) / Decrease in Other Current Assets	62.65	(1,228.88)	318.07	(1,299.64)
Increase / (Decrease) in Trade and Other Payables	(1,308.99)	2,255.12	(651.56)	3,189.96
Increase / (Decrease) in Provisions	23.70	(71.39)	153.91	70.54
Increase / (Decrease) in Other Financial Liabilities	170.61	483.42	807.19	421.28
Increase / (Decrease) in Other Current Liabilities	(103.96)	319.19	(77.60)	573.75
Cash generated from / (used in) operations	1,510.76	4,266.42	(267.14)	548.24
Direct taxes paid (Net of Refunds)	0.34	229.74	33.16	(19.39)
Net cash (used in) / from generated from operating activities	1,510.41	4,036.68	(300.30)	567.63
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances)	(838.18)	(4,670.64)	(168.78)	(15,951.13)
Purchase of Shares	-	-	-	(0.10)
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(3.05)	(111.77)	(10.33)	(91.69)
Interest received	3.37	9.51	27.18	10.17
Net cash (used in) / generated from investing activities	(837.86)	(4,772.90)	(151.93)	(16,032.75)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	-	2,281.44	-	5.00
Share Suspense account	-	-	-	2,057.80
Proceeds from Capital Reserve	-	670.63	-	5,553.70
Interest paid	(269.34)	(797.63)	(980.66)	(1,094.69)
Proceeds from long-term borrowings (net)	396.39	(2,047.30)	621.52	7,450.39
Proceeds from short-term borrowings (net)	(643.79)	664.54	554.85	1,763.65
Net cash (used in) / from financing activities	(516.75)	771.68	195.71	15,735.85
Net decrease in cash and cash equivalents (A+B+C)	155.81	35.48	(256.53)	270.74

Particulars	As on June 30, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
			(Proforma)	(Proforma)
Cash and cash equivalents at the beginning of the year	49.69	14.21	270.74	-
Cash and cash equivalents at the end of the year	205.50	49.69	14.21	270.74
Components of cash and cash equivalents considered only for the purpose of cash flow statement				
In bank current accounts in Indian rupees	187.33	29.13	12.83	268.15
Cash on hand	18.17	20.55	1.38	2.60
	205.50	49.69	14.21	270.74

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the “*Terms of the Issue*” on page 254 of this Draft Letter of Offer:

Issue details in Brief

The following table sets out the details of the present Issue:

Equity Shares being offered by our Company	Up to [●] Equity Shares
Rights Entitlement	[●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.
Record Date	[●]
Face value per Equity Share	₹ 10
Issue Price per Rights Equity Share	[●]
Equity Shares outstanding prior to the Issue	2,28,64,449 Equity Shares
Issue Size	Issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of [●] (Including a premium of [●]) per Rights Equity Share not exceeding an amount ₹ 6,000.00 lakhs.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Terms of the Issue	For more information, see “ <i>Terms of the Issue</i> ” on page 254 of this Draft Letter of Offer.
Use of Issue Proceeds	For more information, see “ <i>Objects of the Issue</i> ” on page 65 of this Draft Letter of Offer.
Scrip details	ISIN: INE670X01014 BSE: 540702 NSE: LASA

Terms of Payment

The entire Issue Price will be paid on application.

GENERAL INFORMATION

Our Company was incorporated as “Lasa Supergenerics Limited” on March 11, 2016 as a public company under the provisions of Companies Act, 2013 having registration number 274202 of 2016 with the RoC. Our Company has received its Certificate of Incorporation dated March 11, 2016 from the RoC. The Corporate Identification Number of our Company is L24233MH2016PLC274202. For details of changes in the registered office of our Company, see “History and Certain Corporate Matters” on page 131 of this Draft Letter of Offer.

Registered Office of our Company

Lasa Supergenerics Limited
C-105, MIDC, Mahad,
Raigad - 402301,
Maharashtra, India
Telephone: +91 21 4523 2202/ 2101
Fax number: Not available
Website: www.lasalabs.com
E-mail: cs@lasalabs.com

Corporate Office of our Company

B-207, Citi Point,
Andheri Kurla Road, J.B. Nagar,
Andheri East, Mumbai- 400 059,
Maharashtra, India
Telephone: +91 22 4970 1092
Fax number: Not available
Website: www.lasalabs.com
E-mail: cs@lasalabs.com

Address of the RoC

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

The Registrar of Companies, Maharashtra

100, Everest, Marine Drive,
Mumbai- 400 002,
Maharashtra, India

Board of Directors of our Company

Details regarding our Board of Directors as on the date of filing this Draft Letter of Offer is as follows:

Name and Designation	DIN	Address
Omkar Herlekar Chairman and Managing Director	01587154	Flat No. 1301/1302, Thirteenth Floor, Premium Tower Co-operative Housing Society Limited, Lokhandwala Complex, Andheri West, Azad Nagar, Mumbai – 400 053, Maharashtra, India.
Shivanand Hegde Whole-Time Director	00185508	B-1, 303, Mohan Jyot Cooperative Housing Society. Shiv Mandir Road, Kher Section, Ambarnath East, Thane – 421 501, Maharashtra, India.
Mithun Jadhav Whole-Time Director	08181048	Near Swami Samarth Math Markandi, Chiplun, Ratnagiri - 415605, Maharashtra, India
Hardesh Tolani Independent Director	07811319	B.R.K No. 1643/12, Section 28, Opposite Sea Rock Palace, Ulhasnagar, Kalyan, Thane – 421 004, Maharashtra, India.

Name and Designation	DIN	Address
Ajay Sukhwani Independent Director	07811551	101, First Floor, Sai Jyot Apartment, Near Vatika Restaurant, Bewas Chowk, Ulhasnagar-1, Thane – 421 001, Maharashtra, India.
Ekta Gurnasinghani Independent Director	07811337	103, Anil Palace, Near Dhunichand Kalani building, O.T. Section, Ulhasnagar-2, Thane, Mumbai – 421 002, Maharashtra, India.
Manali Bhagtani Independent Director	08067867	405, Glamour Apartment, Goal Maidan, Ulhasnagar – 1, Thane – 421 001, Maharashtra, India

For detailed profile of the Directors of our Company please refer to “*Our Management*” on page 136 of this Draft Letter of Offer.

Company Secretary and Compliance Officer

Nidhi Kulshrestha is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Nidhi Kulshrestha

B-207, Citi Point,
Andheri Kurla Road, J.B. Nagar
Andheri East, Mumbai 400 059,
Maharashtra, India

Telephone: +91 22 4970 1092

Fax number: Not available

E-mail: cs@lasalabs.com

Chief Financial Officer

Ravishankar Kabra is the Chief Financial Officer of our Company. His contact details are as follows:

Ravishankar Kabra

B-207, Citi Point,
Andheri Kurla Road, J.B. Nagar,
Andheri East, Mumbai 400 059,
Maharashtra, India

Telephone: +91 22 4970 1092

Fax number: Not available

E-mail: cfo@lasalabs.com

Investors may contact the Compliance Officer for any pre-issue /post-issue related matters such as non-receipt of letters of allotment/ share certificates/ refund orders, etc.

Investors are advised to contact the Lead Manager, Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / Letter of Allotment, Split Application Forms, share certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the CAF or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors.

Lead Manager to the Issue

Saffron Capital Advisors Private Limited

605, Center Point, Sixth Floor,
Andheri - Kurla Road, J.B. Nagar,
Andheri (East), Mumbai 400 059
Maharashtra, India

Telephone: +91 22 4082 0914/ 15

Fax number: +91 22 4082 0999

Email: rights.issue@saffronadvisor.com

Website: www.saffronadvisor.com

Investor Grievance Email: investorgrievance@saffronadvisor.com

Contact Person: Amit Wagle / Gaurav Khandelwal

SEBI Registration Number: INM000011211

Legal Advisor to the Issue**M/s. Crawford Bayley & Co.**

State Bank Building,
4th floor, N.G.N. Vaidya Marg,
Fort, Mumbai – 400 023,
Maharashtra, India
Telephone: +91 22 2266 8000
Fax number: +91 22 2266 3978
Email: sanjay.asher@crawfordbayley.com

Registrar to the Issue**Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building,
Opposite Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai 400 059,
Maharashtra, India

Telephone: +91 22 6263 8200

Fax number: +91 22 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor grievance email: investor@bigshareonline.com

Contact Person: Srinivas Dornala

SEBI Registration Number: INR000001385

Statutory Auditor of our Company**M/s. Thanawala & Company**

Chartered Accountants
505, Abhay Steel House, 5th Floor,
22 - Baroda Street, Iron Market,
Masjid Bunder, Mumbai 400 009
Membership no.: 15632
Telephone number: +91 22 2348 6679/ 4336
Fax number: +91 22 2348 1151
Registration number: FRN110948W
Contact Person: CA Vijay Thanawala
Email id: vijay2012thanawala@gmail.com
Peer review no.: 011034

Bankers to our Company

[•]

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Bankers to the Issue and Collection Bank

The Bankers to the Issue and Collection Banks will be appointed prior to filing of Letter of Offer with the Stock Exchange.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act. The above is subject to terms mentioned under the “*Terms of the Issue- Basis of Allotment*” on page 278 of this Draft Letter of Offer.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, updated from time to time, or at such other website as may be prescribed by SEBI from time to time. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility.

Retail Individual Investors may optionally apply through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009). The Equity Shareholders are required to fill the ASBA Form and submit the same to their Self Certified Syndicate Banks (“**SCSB**”) which in turn will block the amount as per the authority contained in the ASBA Form and undertake other tasks as per the specified procedure

Experts Opinion

Our Company has received consent from M/s. Thanawala & Company, Chartered Accountants to include their name as an “expert” under Section 2(38) of the Companies Act in this Draft Letter of Offer in relation to their report dated October 8, 2018 on the Restated Audited Financial Statements of our Company provided under “*Financial Statements*” on page 163 of this Draft Letter of Offer and the Statement of Tax Benefits dated October 9, 2018 on page 73 of this Draft Letter of Offer. Further, this consent has not been withdrawn as of the date of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	[●]
Last Date for request for Split Application Forms	[●]
Issue Closing Date	[●]

Statement of responsibilities of the Lead Manager to the Issuer

Saffron Capital Advisors Private Limited is the sole Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

Credit rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Book Building Process

As the Issue is a Rights Issue, the Issue will not be made through the book building process.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI ICDR Regulations, since the size of the Issue is less than ₹ 100 crores, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilised have been appraised by any bank or financial institution or any other independent agency.

Issue Grading

As the Issue is a Rights Issue, grading of the Issue is not required.

Principal Terms of Loans and Assets charged as Security

For the principal terms of loans and assets charged as security, please refer to “*Financial Statements*” and “*Financial Indebtedness*” on pages 163 and 226 of this Draft Letter of Offer.

Listing on the Stock Exchanges

The Equity Shares of our Company are listed and traded on the NSE and BSE. We have received in-principle approvals for listing of the Equity Shares from NSE by a letter dated [●] and from BSE by a letter dated [●]. The Designated Stock Exchange for the purposes of the Issue is [●]. We will make applications to the Stock Exchanges for final listing and trading approvals in respect of the Equity Shares being offered in terms of this Draft Letter of Offer.

Subscription by the Promoter and Promoter Group

Our Promoter has confirmed that he intends to subscribe to the full extent of their Rights Entitlement in the Issue. In addition to subscription to his Rights Entitlements, the Promoter has further confirmed that he intends to subscribe to additional Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoter and Promoter Group not exceeding 75% of the post Issue capital of our Company.

For further details of under-subscription and allotment to the Promoter and Promoter Group, please refer to “*Basis of Allotment*” below under the “*Terms of the Issue*” on page 254 of this Draft Letter of Offer.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer is set forth below:

(₹ in lakhs, except the share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
AUTHORISED SHARE CAPITAL		
5,00,00,000 Equity Shares of face value of ₹ 10 each	5,000.00	-
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL BEFORE THE ISSUE		
2,28,64,449 Equity Shares of ₹ 10 each	2,286.44	-
PRESENT ISSUE BEING OFFERED TO THE EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER		
[●] Equity Shares of face value ₹ 10 each at a premium of ₹ [●] i.e. at an Issue Price of ₹ [●]	[●]	6,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL AFTER THE ISSUE (assuming full subscription for and allotment of the Rights Entitlement)		
[●] Equity Shares of ₹ 10 each	[●]	-
SECURITIES PREMIUM ACCOUNT		
Before the Issue		2,728.46
Securities premium account after the Issue (assuming full subscription for and allotment of the Rights Entitlement)		[●]

**This Issue is being made pursuant to a resolution passed by the Board at its meeting held on January 6, 2018.*

Changes in authorized share capital

Sr. No.	Date of Shareholders Approval / Court Order	EGM/AGM	Authorized Share Capital (in ₹)	Details of Change
1.	On incorporation	-	35,00,00,000	Incorporated with an Authorized Share Capital of ₹ 35,00,00,000 divided into 3,50,00,000 Equity Shares of ₹ 10 each.
2.	September 25, 2018	AGM	50,00,00,000	Increased in the Authorized Share Capital from ₹ 35,00,00,000 divided into 3,50,00,000 Equity Shares of ₹ 10 each to ₹ 50,00,00,000 divided into 5,00,00,000 Equity Shares of ₹ 10 each.

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History

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

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	of	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
March 11, 2016	50,000	10	10	Cash	Subscription to the MoA ⁽¹⁾	to	50,000	500,000

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	of	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
May 2, 2017	22,36,445	10	132	Other than Cash	As composite scheme of arrangement ⁽²⁾	per	22,86,445	2,28,64,450
June 14, 2017	2,05,78,004	10	10	Other than Cash	As composite scheme of arrangement ⁽³⁾	per	2,28,64,449	2,28,64,490

(1) Initial subscription to the MoA of 49994 Equity Shares by Omkar Speciality Chemical Limited and 1 Equity Share each by Pravin Herlekar, Omkar Herlekar, Rishikesh Herlekar, Sumant Kharasamble, Girish Deshpande and Shivanand Hegde (all being nominees of Omkar Speciality Chemical Limited).

(2) Equity Shares were allotted pursuant to a composite scheme of arrangement of Omkar Speciality Chemicals Limited, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited, Desh Chemicals Private Limited and Lasa Supergenerics Limited and their respective shareholders and creditors approved by National Company Law Tribunal at Mumbai by order dated April 13, 2017 wherein 22,36,445 Equity Shares were allotted to Omkar Speciality Chemicals Limited. For further details, see "History and Corporate Matters" on page 131 of this Draft Letter of Offer.

(3) Equity Shares were allotted pursuant to a composite scheme of arrangement of Omkar Speciality Chemicals Limited, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited, Desh Chemicals Private Limited and Lasa Supergenerics Limited and their respective shareholders and creditors approved by National Company Law Tribunal at Mumbai by order dated April 13, 2017. For further details, see "History and Corporate Matters" on page 131 of this Draft Letter of Offer.

b. Issue of Equity Shares for consideration other than cash or out of revaluation reserves:

Our Company has not issued any Equity Shares, out of revaluation of reserves at any time since incorporation.

Further, except as set out below, our Company has not issued Equity Shares for consideration other than cash. Furthermore, except as disclosed below, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash.

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Reason for Allotment	Benefit accrued to our Company
May 2, 2017	22,36,445	10	132	As per composite scheme of arrangement	Nil
June 14, 2017	2,05,78,004	10	10	As per composite scheme of arrangement	Nil

c. Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year

Our Company has not made an issue of Equity Shares during the preceding one year.

History of the Equity Share capital held by our Promoter

As on the date of this Draft Letter of Offer, our Promoter holds 82,51,501 Equity Shares* equivalent to 36.09% of the issued, subscribed and paid-up Equity Share capital of our Company.

* Wherein 3,42,000 Equity Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

a. Details of the build-up of shareholding of the Promoter in our Company:

Date of allotment/ Transfer	No. of Equity Shares [^]	Face value (₹)	Issue Price /average acquisition price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)	Cumulative number of shares	Reason for allotment/ transfer
March 11, 2016	1	10	10	-	-	1*	On incorporation, as a nominee of Omkar Speciality Chemicals Limited
June 14, 2017	52,51,500	10	10	22.97%	[●]%	52,51,501*	As per composite scheme of arrangement
January 08, 2018	8,00,000	10	142.00	3.5%	[●]%	60,51,501*	Acquisition from Pravin Herlekar
March 06, 2018	11,00,000	10	170.37	4.81%	[●]%	71,51,501*	Acquisition from Pravin Herlekar
June 18, 2018	11,00,000	10	83.70	4.81%	[●]%	82,51,501*	Acquisition from Pravin Herlekar
Total				36.09%		82,51,501*	

*One Equity Share held as a nominee of Omkar Speciality Chemicals Limited.

[^]3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

b. The Issue is exempted from the requirements of minimum Promoter' contribution in accordance with Regulation 34(c) of the ICDR Regulations.

c. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our Promoter, Omkar Herlekar, through the letter dated October 3, 2018 (the "Subscription Letter") has undertaken to subscribe, either through himself or through other members of the Promoter Group to subscribe to their Rights Entitlement in full in the Issue, in compliance with regulation 10(4) of SEBI Takeover Code.

Our Promoter has also confirmed that he intends to either through himself or through other members of the Promoter Group (i) subscribe to additional Equity Shares, and (ii) subscribe for unsubscribed portion in the Issue, if any such that atleast minimum subscription of 90% of the Issue is achieved. Further, they reserve the right to additionally subscribe for any unsubscribed portion over and above minimum subscription in order to achieve full subscription in the Issue. Such subscription to additional Equity Shares and the unsubscribed portion, if any, shall be in accordance with regulation 10(4) of SEBI Takeover Code subject to their shareholding not exceeding 75% of the issued, outstanding and fully paid up Equity Share capital in accordance with the provisions of the SEBI Listing Regulations. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Equity Shares of the Company shall not result in a change of control of the management of the Company in accordance with provisions of the SEBI Takeover Code and shall be exempt in terms of Regulation 10 (4) (a) and (b) of the SEBI Takeover Code. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

- d. As on September 30, 2018, our Promoter has advanced a sum of ₹ 3,080.04 lakhs as interest free unsecured loan at to our Company. The aforesaid loan has been used for working capital requirements and general corporate purposes as certified by M/s Thanawala & Co., Chartered Accountants, Statutory Auditors of the Company *vide* certificate dated October 9, 2018. Our Promoter has *vide* letter dated October 3, 2018 requested our Company to adjust his entire unsecured loan against his entitlement, including additional subscription, if any. Our Promoter may keep advancing unsecured loans based on the requirements of the Company and the exact amount of unsecured loans to be adjusted shall be finalised at the time of filing of Letter of Offer.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

As such, other than meeting the requirements indicated in the “*Objects of the Issue*” at page 65 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any Allotment in the Issue to our Promoter and / or the members of our Promoter Group, the shareholding of our Promoter and/or Promoter Group in our Company exceeds their current shareholding.

2. Shareholding Pattern of our Company

The table below represents the Shareholding Pattern of our Company as on September 30, 2018:

Summary Statement holding of specified securities:

Category of shareholder	No. of Shareholders	No. of fully paid up equity Shares held	Total nos. shares held	Shareholding as a % of total no. of shares as per SCRR,1957 (calculated as a % of (A+B+C2))	Number of Voting Rights held in each class of securities	Shareholding as a % assuming full conversion of convertible securities (as a % 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)
					Class Equity	Class	Total					
					Others							
(A) Promoter & Promoter Group	1	79,09,500	79,09,500	34.59	0	79,09,500	34.59	22,00,000	27.81	0	0	79,09,500*
(B) Public	19,976	1,49,54,949	1,49,54,949	65.41	0	1,49,54,949	65.41	86,445	0.578	0	0	1,49,50,443
(C) Non Promoter-Non Public	0	0	0	0	0	0	0.00	0	0.00	0	0	0
(C1) Shares underlying DRs	0	0	0	0	0	0	0.00	0	0.00	0	0	0
(C2) Shares held by Employee Trusts	0	0	0	0	0	0	0.00	0	0.00	0	0	0

Category of shareholder	No. of Shareholders	No. of fully paid up equity Shares held	Total nos. shares held	Shareholding as a % of total no. of shares as per SCRR,1957)	Shareholding as a % of diluted share capital) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities	Total as a % of (A+B+C)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form		
				As a % of (A+B+C2)	No. of Voting Rights							
						Class Equity	Class					
						Others	Total					
Total	19,977	2,28,64,449	2,28,64,449	100.00	2,28,64,449	0	2,28,64,449	100.00	22,86,445	10,000	0	2,28,59,943

*3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

3. Shareholding of our Promoter and Promoter group Pre and Post Issue:

Except as provided in the table below our Promoter and members of the Promoter Group do not hold any Equity Shares of our Company as of the date of this Draft Letter of Offer:

Sr. No.	Name of the Shareholder	Pre Issue		Post Issue	
		No. of Shares	%	No. of Shares	%
Promoter					
1.	Omkar Herlekar	82,51,501*	36.09%	[●]	[●]
Total		82,51,501	36.09%	[●]	[●]
Promoter Group					
1.	Harishree Aromatics and Chemicals Private Limited	NIL	NIL	[●]	[●]
2.	Amarnath Securities Limited	NIL	NIL	[●]	[●]

*One Equity Share held as a nominee of Omkar Speciality Chemicals Limited

4. The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under:

a. Particulars of the top ten shareholders as on November 2, 2018:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid Up Capital
1.	Omkar Herlekar	82,51,501**	36.09%
2.	Vishanji Dedhia	4,25,000	1.86%
3.	Anil Dedhia	2,60,000	1.14%
4.	Dattatraya Deshpande	1,92,263	0.84%
5.	Deenar Toraskar	1,52,320	0.67%
6.	Kiran Nisar	1,43,967	0.63%
7.	Mohan Mechem Projects Private Limited	1,03,646	0.45%
8.	Rajender Juvvadi	91,445	0.40%
9.	Asha Ravikumar	91,295	0.40%
10.	Omkar Speciality Chemicals Limited	86,445	0.38%

**One Equity Share held as a nominee of Omkar Speciality Chemicals Limited;

^3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

b. Particulars of the top ten shareholders as on October 26, 2018:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid Up Capital
11.	Omkar Herlekar	82,51,501 ^{^^}	36.09%
12.	Vishanji Dedhia	4,25,000	1.86%
13.	Anil Dedhia	2,60,000	1.14%
14.	Dattatraya Deshpande	1,92,263	0.84%
15.	Deenar Toraskar	1,52,320	0.67%
16.	Kiran Nisar	1,43,967	0.63%
17.	Mohan Mechem Projects Private Limited	1,03,646	0.45%
18.	Asha Ravikumar	1,02,002	0.45%
19.	Rajender Juvvadi	91,445	0.40%
20.	Omkar Speciality Chemicals Limited	86,445	0.38%

**One Equity Share held as a nominee of Omkar Speciality Chemicals Limited;*

^3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

c. Particulars of the top ten shareholders two years prior to the date of filing of this Draft Letter of Offer:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid Up Capital
1.	Omkar Speciality Chemicals Limited	49,994	99.99
2.	Pravin Herlekar	1	Negligible*
3.	Omkar Herlekar	1	Negligible*
4.	Rishikesh Herlekar	1	Negligible*
5.	Sumant Kharasamble	1	Negligible*
6.	Girish Deshpande	1	Negligible*
7.	Shivanand Hegde	1	Negligible*
Total		50,000	100.00

**1 Equity Share held as nominee of Omkar Speciality Chemicals Limited.*

- Our Company, our Directors and the Lead Manager have not entered into any buy-back arrangement and / or safety net facility for purchase of Equity Shares from any person.
- Issue of Equity Shares in the last two preceding years.

For details of issue of Equity Shares by our Company in the last two preceding years, see "Capital Structure – Notes to Capital Structure – Share Capital History – 1. History of Equity Shares capital of our Company" on page 54 of this Draft Letter of Offer.

Our Promoter, other members of our Promoter Group, our Directors or their immediate relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of this Draft Letter of Offer, except as follows:

Name of the Promoter, other member of Promoter Group or Directors or their immediate relatives	Nature of transaction	No. of Equity Shares/ specified securities sold/transferred	Date of transaction	Transaction of price per Equity Share (₹)
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7. Details of Equity Shares held by our Directors and Key Managerial Personnel:

Omkar Herlekar	Acquisition from Pravin Herlekar by way of gift	11,00,000	June 18, 2018	Nil
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As on the date of this Draft Letter of Offer, none of our Directors and Key Managerial Personnel holds any Equity Shares, except the following.

Sr. No.	Name of the Director	Number of Equity Shares	Pre-issue (%)
1.	Omkar Herlekar	82,51,501* [^]	36.09%
2.	Shivanand Hegde	1*	Negligible

*1 Equity Share held as a nominee of Omkar Speciality Chemicals Limited

[^]3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

8. Except as provided below, neither our Promoter nor our Directors has purchased or subscribed or sold any Equity Shares within three years immediately preceding the date of filing of this Draft Letter of Offer with SEBI which in aggregate is equal to or greater than 1% of the pre-Issue capital of our Company:

Name of the person	Category	Date of Issue/ Acquisition/ Transfer	Number of Equity Shares	Price per Equity Shares (₹)	Reasons
Omkar Herlekar	Promoter	June 14, 2017	52,51,500	Not Applicable	As per composite scheme of arrangement
Omkar Herlekar	Promoter	January 8, 2018	8,00,000	Nil	Acquisition by way of gift from Pravin Herlekar
Omkar Herlekar	Promoter	March 6, 2018	11,00,000	Nil	
Omkar Herlekar	Promoter	June 18, 2018	11,00,000	Nil	

9. Our Company has not issued any Equity Shares out of revaluation reserves or reserves without accrual of cash resources.

10. Except as disclosed below, as on the date of this Draft Letter of Offer, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or under Sections 230 to 233 of the Companies Act, 2013:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration
May 2, 2017	22,36,445 ⁽¹⁾	10	132	Other than Cash ⁽¹⁾
June 14, 2017	2,05,78,004 ⁽²⁾	10	10	Other than Cash ⁽²⁾

(1) Equity Shares were allotted pursuant to a composite scheme of arrangement of Omkar Speciality Chemicals Limited and Lasa Laboratory Private Limited and Urdhwa Chemicals Company Private Limited and Rishichem Research Limited and Desh Chemicals Private Limited and Lasa Supergenerics Limited and their respective shareholders and creditors approved by National Company Law Tribunal at Mumbai by order dated April 13, 2017 wherein 22,36,445 Equity Shares were allotted to Omkar Speciality Chemicals Limited. For further details, see "History and Corporate Matters" on page 131 of this Draft Letter of Offer.

(2) Equity Shares were allotted pursuant to a composite scheme of arrangement of Omkar Speciality Chemicals Limited and Lasa Laboratory Private Limited and Urdhwa Chemicals Company Private Limited and Rishichem Research Limited and Desh Chemicals Private Limited and Lasa Supergenerics Limited and their respective shareholders and creditors approved by National Company Law Tribunal at Mumbai by order dated April 13, 2017. For further details, see "History and Corporate Matters" on page 131 of this Draft Letter of Offer.

11. As on October 26, 2018, the total number of shareholders of our Company is 20,303.
12. Neither the Lead Manager nor any of its associates hold any Equity Shares in our Company.
13. Our Company has not made any public issue or Rights Issue of any kind or class of securities since its incorporation.
14. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us, or our Promoters or members of the Promoter Group to the persons who are Allotted Equity Shares.
15. The ex-rights price arrived at in accordance with the formula prescribed under Clause 4 (b) of Regulation 10 of the SEBI Takeover Code in connection with the Issue is [●].
16. If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.
17. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.
18. There have been no financial or buyback arrangements whereby our Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Letter of Offer.
19. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or otherwise. However, if business needs of the Company so require, the Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
20. Our Company does not have any employee stock option scheme or employee stock purchase scheme as on date of this Draft Letter of Offer.
21. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. Our Company, Directors, Promoter or Promoter Groups shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Letter of Offer.
23. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing this Draft Letter of Offer.
24. Our Company has not raised any bridge loan from any bank against the proceeds of this Issue. However, depending on its business requirements, the Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.

25. The Issue will remain open for a minimum of 15 days. The Board of Directors or duly authorised committee thereof shall have the right to extend the Issue period as it may determine from time to time, provided that the issue will not be kept open in excess of 30 days from the Issue Opening Date.
26. Our Company shall ensure that any transaction in the Equity Shares by our Promoter and Promoter Group during the period between the date of filing the Letter of Offer with NSE and BSE and the date of closure of the Issue shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
27. Our Company has not made any preferential allotment or bonus issue of specified securities or qualified institutions placement of eligible securities since the date of its listing.

OBJECTS OF THE ISSUE

Requirement of Funds

The proceeds of the Issue, after deducting Issue related expenses and adjustment of unsecured loans availed from the Promoter, are estimated to be Rs. [●] lakhs (the —**Net Proceeds**). The Issue is being undertaken to meet the objects thereof, as set forth herein.

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

Particulars	(₹ in lakhs) Amount
Gross Proceeds from the Issue	6,000.00
(Less) Issue Related Expenses	[●]*
Net Proceeds of the Issue	[●]*

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchange.

We intend to utilize the Net Proceeds towards the following objects:

1. Part repayment/ Pre-payment of certain secured loans availed from lenders;
2. Adjustment of unsecured loans given by the Promoter; and
3. General corporate purposes.

(Collectively, referred to as the “**Objects**”)

The main objects clause of the Memorandum of Association enables our Company to undertake the activities for which the funds are being raised pursuant to the Issue. The existing activities of our Company are within the ambit of the main objects clause and the objects incidental or ancillary to the main objects of the Memorandum of Association.

Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

Particulars	(₹ in lakhs) Estimated Amount
Part repayment/ Pre-payment of certain secured loans availed from lenders	1,500.00
** Adjustment of unsecured loans against the entitlement (including additional subscription, if any) given by the Promoter	3,080.04
General Corporate Purposes	[●]*
Issue Related Expenses	[●]*
Gross proceeds from the Issue	6,000.00

*To be determined on finalization of the Issue Price and updated at the time of filling of Letter of Offer with the Stock Exchanges.

**As on September 30, 2018, our Promoter has advanced a sum of ₹ 3,080.04 lakhs as interest free unsecured loan to our Company. The aforesaid loan has been used for working capital requirements and general corporate purposes as certified by M/s. Thanawala & Co., Chartered Accountants, Statutory Auditors of the Company vide certificate dated October 9, 2018. Our Promoter has vide letter dated October 3, 2018 requested our Company to adjust his entire unsecured loan against his entitlement, including additional subscription, if any. Based on the business requirements of our Company, our Promoter may advance further interest free unsecured loans to our Company and the exact amount of such unsecured loans to be adjusted shall be such that the Issue is subscribed.

Means of Finance

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue	6,000.00
Unsecured loan received from our Promoter	3,080.04

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2019 in accordance with the details provided in the following table:

(₹ in lakhs)

Particulars	Total estimated amount	Amount deployed till September 30, 2018	Estimated utilization of Net Proceeds in Fiscal 2019
Part repayment/ Pre-payment of certain secured loans availed from lenders;	1,500.00	-	1,500.00
Adjustment of unsecured loans against the entitlement (including additional subscription, if any) given by the Promoter;	3,080.04	-	3,080.04
General corporate purposes*	[●]	-	[●]
Total	[●]	-	[●]

*To be finalised upon determination of Issue Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned objects in accordance with applicable law. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with applicable law.

Details of the Objects of the Issue

1. Part repayment/ Pre-payment of certain secured loans availed from lenders

Our Company proposes to utilise an aggregate amount of ₹ 1,500 lakhs from the Net Proceeds towards full or partial re-payment or prepayment of the secured loans availed by our Company. The selection and extent of loans proposed to be repaid from our Company's loans mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant

loan, the amount of the loan outstanding, the remaining tenor of the loan, presence of onerous terms and conditions under the facility, levy of any prepayment penalties and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of pre-payment to lenders, if any and mix of credit facilities provided by lenders.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to allotment. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of loans in part or full, would not exceed ₹ 1,500 lakhs. The prepayment or repayment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources at more favourable terms in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

As on September 30, 2018, there are loans availed by the Company, complete disclosure of which is mentioned in “*Financial Indebtedness*” on page 226 of this Draft Letter of Offer and in the section “*Financial Information*” on page 163 of this Draft Letter of Offer.

Breakup of Identified Loans proposed to be repaid:

Secured Loans availed from Banks and which are proposed to be repaid, partly or fully are tabulated below:

(₹ in lakhs)

Name of the Bank	Sanction Loan Amount	Rate of Interest (%)	Amount outstanding as on September 30, 2018	Purpose
Axis Bank Term Loan - I	987.00	11.40%	641.54	Capital Expenditure
Axis Bank Term Loan - II	392.00	11.40%	82.61	Capital Expenditure
Bank of Baroda - ECB	6,300.00	6.44% (Libor: 1.74% + Margin: 4.70%)	2,095.66	Expansion of manufacturing facilities

For the principal terms of loans and assets charged as security, please refer to “*Financial Indebtedness*” on page 226 of this Draft Letter of Offer.

Details of Utilisation of Loan

As certified by our statutory auditor, M/s. Thanawala & Co., Chartered Accountants, through their certificate dated October 9, 2018, the borrowings set out in the table above have been utilised for the purpose they were availed.

Our Company may avail further loans after the date of filing of this Draft Letter of Offer. If at the time of utilization of the Net Proceeds, any of the above mentioned loans are repaid in part or full or refinanced or if any additional amounts are drawn down on the working capital borrowing or if the limits under the working capital borrowing are increased, then the Company will utilize the Net Proceeds to pre-pay or repay such refinanced or additional debt, not exceeding ₹ 1,500.00 lakhs.

2. Adjustment of unsecured loans given by its Promoter

Since the Company is in a working capital-intensive industry and requires working capital on a continuous, ongoing and urgent basis, the Promoter has been advancing interest free unsecured loans to the Company, repayable on demand. As on September 30, 2018, our Promoter has advanced a sum of ₹ 3,080.04 lakhs as interest free unsecured loan at to our Company. The aforesaid loan has been used for working capital requirements and general corporate purposes as certified by M/s Thanawala & Co., Chartered Accountants, Statutory Auditors of the Company vide certificate dated October 9, 2018.

Our Promoter, Omkar Herlekar, through the letter dated October 3, 2018 (the “**Subscription Letter**”) has undertaken to subscribe, either through himself or through other members of the Promoter Group to subscribe to their Rights Entitlement in full in the Issue, in compliance with regulation 10(4) of SEBI Takeover Code.

Further our Promoter, Mr. Omkar Herlekar *vide* letter dated October 3, 2018 has requested our Company to adjust unsecured loan amounting to ₹ 3,080.04 lakhs against his entitlement, including additional subscription, if any instead of seeking a repayment of the same. Based on the business requirements of our Company, our Promoter may advance further interest free unsecured loans to our Company and the exact amount of such unsecured loans to be adjusted shall be such that the Issue is subscribed.

3. General corporate purposes

In terms of Regulation 4(4) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes is not exceeding 25% of the Gross proceeds of the Issue.

Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in 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 management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount (₹ in lakhs)*	As a percentage of total expenses*	As a percentage of Issue size*
Fees of the Lead Managers, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor’s fees, including out of pocket expenses etc.	[•]	[•]	[•]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

*Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Bridge Financing Facilities

Our Company has currently not raised any bridge loan towards any of the stated objects of the Issue as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending on business requirements, our Company might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised.

Monitoring of utilization of funds

Since the proceeds from the Issue are less than ₹ 10,000 lakhs, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements. As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Directors and Key Managerial Personnel except to the extent of adjustment of unsecured loans availed from our Promoter towards his entitlement, including additional subscription, if any.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] will be determined by our Company, in consultation with the Lead Manager, on the basis of assessment of market demand and the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is ₹10 and the Issue Price is ₹ [●]. The Issue Price is [●] times the face value.

Investors should also see “*Risk Factors*”, “*Our Business*” and “*Financial Statements*” on pages 16, 108 and 163, respectively of this Draft Letter of Offer, to have an informed view before making an investment decision.

Qualitative Factors

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

1. Focused approach to product selection targeting high-barrier-to-entry products;
2. Manufacturing facilities with focus on quality assurance;
3. Comprehensive product offering and strong research and development capabilities; and
4. Experienced management team.

For further details, please refer to “*Risk Factors*” and “*Our Business*” beginning on pages 16 and 108, respectively of this Draft Letter of Offer.

Quantitative factors

The information presented below relating to our Company is based on the Restated Financial Information prepared in accordance with Indian GAAP, Companies Act and SEBI ICDR Regulations. For details, please refer “*Financial Statements*” beginning on page 163 of this Draft Letter of Offer.

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

1. Basic and Diluted Earnings Per Share (EPS)

As per the Company’s Restated Financial Information:

Year ended	Basic and Diluted EPS (₹)	Weight
March 31, 2016	(1.25)	1
March 31, 2017	1.14	2
March 31, 2018	5.29	3
Weighted average*	2.82	
For the period ended June 30, 2018**	(0.82)	

*Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

**Not Annualised

Notes:

- i. The face value of each Equity Share is ₹ 10;
 - ii. Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share' notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- Basic EPS: Profit after taxes for the year/period (as restated) attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year/period.
 - Diluted EPS: Profit after taxes for the year/period (as restated) attributable to equity shareholders divided by weighted average number of dilutive Equity Shares outstanding during the year/period.

Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

- Number of Equity Shares outstanding at the end of the year/period are computed considering share accounted at the time of demerger, however these shares are shown in Share Suspense Account in the Balance Sheets prepared as per Indian GAAP and IND AS.

2. A) Price Earning (P/E) Ratio in relation to the Issue Price of ₹ [●] per Equity Share of ₹ 10 each.

Particulars	P/E at the Issue Price (no. of times)
P/E ratio based on basic EPS for the financial year ended March 31, 2018	[●]
P/E ratio based on diluted EPS for the financial year ended March 31, 2018	[●]
P/E ratio based on weighted average basic EPS for the fiscal ended March 31, 2018	[●]
P/E ratio based on weighted average diluted EPS for the fiscal ended March 31, 2018	[●]

B) Industry Peer Group P / E ratio

Not applicable. There are no listed entities similar to our line of business and comparable to our scale of operations.

3. Return on Net Worth (RONW)

As per the Restated Standalone Financial Information

Particulars	RONW (%) ⁽¹⁾	Weight
March 31, 2016	(3.50)	1
March 31, 2017	3.09	2
March 31, 2018	10.25	3
Weighted average	5.57	
For the period ended June 30, 2018*	(1.63)	

*Not Annualised

4. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue Basic and Diluted EPS as at March 31, 2018:

To maintain pre-Issue Basic and Diluted EPS

Particulars	(%)
To maintain pre-issue basic EPS	
At the issue price	[●]
To maintain pre-issue diluted EPS	
At the issue price	[●]

5. Net Asset Value per Equity Share

Particulars	NAV (₹ per share) ¹
As on March 31, 2016	32.69
As on March 31, 2017	33.82
As on March 31, 2018	48.64
As on June 30, 2018	47.82
the Issue Price	[●]
After the Issue	[●]

¹NAV (book value per share) = (Total shareholders' funds minus Intangible assets) divided by number of shares outstanding as on that date.

6. Comparison of Accounting Ratios with listed industry peers

Considering the nature and segment in which our Company operates, the listed peers are not strictly comparable as they also cater to different product portfolios and are different in revenue terms.

7. The Issue Price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Lead Manager, is justified in view of the above qualitative and quantitative parameters.

On the basis of the above qualitative and quantitative parameters, our Company, in consultation with the Lead Manager, is of the opinion that the Issue Price of ₹ [●] is justified based on the above accounting ratios. For further details, see 'Risk Factors' on page 16 of this Draft Letter of Offer and the financials of our Company including important profitability and return ratios, as set out in the 'Financial Statements' on page 163 of this Draft Letter of Offer to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned under 'Risk Factors' on page 16 of this Draft Letter of Offer and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

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

To,

The Board of Directors
Lasa Supergenerics Limited
C-105, MIDC, Mahad, Raigad – 402301
Maharashtra, India

Dear Sir,

Sub: Proposed Rights Issue of equity shares of ₹ 10 each (the “Equity Shares”) by Lasa Supergenerics Limited (the “Company” and such offering, the “Rights Issue”)

Ref: Statement of Tax Benefit

We report that the enclosed statement in Annexure B, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2018 i.e. applicable for the period ended June 30, 2018 i.e AY 2019-2020, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure B are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Rights Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

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

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

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the Annexure B are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in this Draft Letter of Offer, Letter of offer, and submission of this certificate as may be necessary, to the Stock Exchange(s)/ SEBI/ any regulatory authority and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in this Draft Letter of Offer.

Your sincerely,

Enclosed: Annexure B – Statement of Tax Benefit

For Thanawala & Company
Chartered Accountants
ICAI Firm Registration No.: FRN110948W

Proprietor: CA Vijay Thanawala
Membership No: 15632
Place: Mumbai
Date: October 09, 2018

ANNEXURE B

THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO LASA SUPERGENERICS LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India

(A) Benefits to the Company under the Income Tax Act, 1961 ("ITA")

1. General tax benefits

a. Business income

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the ITA. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the ITA.

The Company will be entitled to claim against the future taxable profit, balance of carried forward losses to the extent allocated to the Company on demerger, computed under the income tax laws.

b. MAT credit

As per the provisions of Section 115JAA of the ITA, the Company is eligible to claim credit for Minimum Alternate Tax ("MAT") paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.

MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the ITA and the tax paid on the book profit as computed under Section 115JB of the ITA for that assessment year. Such MAT credit is available for set-off up to 10 assessment years succeeding the assessment year in which the MAT credit arises. However, the Finance Bill, 2018 proposed to increase the availability set-off MAT credit to 15 assessment years succeeding the assessment year in which the MAT credit arises.

c. Expenditure on scientific research eligible for deduction u/s 35

In respect of expenditure on scientific research, the following deductions shall be allowed-

- (i) any expenditure (not being in the nature of capital expenditure) laid out or expended on scientific research related to the "business".

Where any such expenditure has been laid out or expended before the commencement of the business (not being expenditure laid out or expended before the 1st day of April, 1973) on payment of any salary to an employee engaged in such scientific research or on the purchase of materials used in such scientific research, the aggregate of the expenditure so laid out or expended within the three years immediately preceding the commencement of the business shall, to the extent it is certified by the prescribed authority to have been laid out or expended on such scientific research, be deemed to have been laid out or expended in the previous year in which the business is commenced.

- (ii) an amount equal to one and one-fourth times of any sum paid to a company to be used by it for scientific research: Provided that such company-
- (a) is registered in India,
 - (b) has as its main object the scientific research and development,
 - (c) is, for the purposes of this clause, for the time being approved by the prescribed authority in the prescribed manner, and

(d) fulfils such other conditions as may be prescribed.

d. Capital gains

(i) Computation and taxability of capital gains

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on their nature and the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the ITA), or a zero coupon bond (as defined in the ITA), held by an assessee for more than twelve months and in case of shares of a company whose shares are not listed in a recognized stock exchange in India are held by an assessee for more than twenty four months, are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as long-term capital gains ("LTCG"). Further, in case of immovable property being land or building or both, the Finance Bill, 2018 proposed to decrease holding period to twenty four months to be considered as a long term capital asset. In respect of other capital assets, the holding period should exceed thirty six months to be considered as long - term capital assets.

Short Term Capital Gains ("STCG") means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the ITA), or a zero coupon bond (as defined in the ITA), held by an assessee for twelve months or less and in case of shares of a company whose shares are not listed in a recognized stock exchange in India are held by an assessee for twenty four months or less. Further, the Finance Bill, 2018 proposed that an immovable property being land or building or both held by an assessee for twenty four months or less shall be considered as short term capital assets. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.

LTCG arising on transfer of equity share in a company, or a unit of an equity oriented fund (as defined in the ITA), or a unit of a business trust (as defined in the ITA) is exempt from tax as per provisions of Section 10(38) of the ITA, provided the transaction of acquisition and sale of such shares or units is chargeable to securities transaction tax ("STT") or such acquisition is in the mode specified in the rules framed hereunder and subject to conditions specified in that section. However such LTCG shall be taken into account in computing the book profit and income tax payable under section 115JB of the ITA.

Section 48 of the ITA, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement ("COA/I") and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital gains. However, in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed COA/I computed by applying the cost inflation index as prescribed from time to time. Finance Bill, 2018 has vide Section 50CA proposed that for shares of companies other than in which public is substantially interested, the full value of consideration would be the higher of (i) fair market value as determined in accordance to the rule to prescribed or (ii) the actual consideration received

As per provisions of Section 112 of the ITA, LTCG not exempt under Section 10(38) of the ITA are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit), or zero coupon bonds (as defined in the ITA), exceed 10% of the LTCG (without indexation benefit), the excess tax on balance be ignored for the purpose of computing the tax payable by the assessee.

As per provisions of section 111A of the ITA, STCG arising on transfer of equity shares, or units of equity oriented mutual fund (as defined in the ITA), or units if a business trust (as defined in the ITA) and are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VI-A is allowed from such income.

STCG arising on transfer of equity shares, or units of equity oriented mutual fund (as defined in the ITA), or Unit, if a business trust (as defined in the ITA), where such transaction is not chargeable to STT is taxable at the normal tax rates as per the ITA, which is 25% at present.

The tax rates mentioned above stand increased by surcharge payable at the rate of 7% of the Income tax where the taxable income of a domestic company exceeds ₹ 10,000,000 but does not exceed ₹ 100,000,000. Where the taxable income exceeds ₹ 100,000,000, the surcharge shall be 12% of income tax. Further Health & Education Cess at the rate of 4% shall be computed on aggregate of Income-Tax and Surcharge.

As per provisions of Section 71 read with Section 74 of the ITA, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

Under Section 54EC of the ITA, capital gains arising from transfer' or long term capital assets other than those exempt under Section 10(38) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer in certain notified bonds redeemable after three years and issued by-

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988;
- Rural Electrification Corporation Limited (REC), a company formed and registered under the 1956 Act;
- Any other bonds notified by the Central Government in this behalf.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed ₹ 5,000,000 per assessee.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer I conversion.

As per provisions of Section 14A of the ITA, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

The characterization of the gain / losses, arising from sale I transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

e. Securities Transaction Tax

As per provisions of Section 36(1)(XV) of the ITA, SIT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income wing from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

f. Dividends

As per provisions of Section 10(34) read with Section 115O of the ITA, dividend (both interim and final), if any, received by the Company on its investments in shares of another domestic company is exempt from tax. The Company will be liable to pay dividend distribution tax at an effective rate of 20.555% (inclusive of surcharge of 12% on the dividend distribution tax and Health & Education Cess at the rate of 4% shall be computed on aggregate of on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

Further, if the company being a holding company, has received any dividend from its domestic subsidiary company during the financial year on which such dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company. Where a holding company has received dividend from its foreign subsidiary company, and tax thereon has been paid

by the holding company under the provisions of section 115BBD of the ITA, the holding company shall not be required to pay dividend distribution tax on such dividend.

As per provisions of Section 10(35) of the ITA, income received in respect of units of a mutual fund specified under Section 10(23D) of the ITA (other than income arising from transfer of such units) is exempt from tax.

Also, section 94(7) of the ITA provides that loss arising from sale transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such record date, will be disallowed to the extent dividend income, on such shares or units, claimed as exempt from tax.

g. Chapter VIA of the ITA

As per provisions of Section 80G of the ITA, the company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.

(B) Benefits to the Resident member I shareholders of the Company under the ITA

a. Dividends exempt under section 10(34) of the ITA

As per provisions of Section 10(34) of the ITA, dividend (both interim and final), if any, received by the resident members I shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at an effective rate of 20.555% (inclusive of surcharge of 12% on the dividend distribution tax and Health & Education Cess at the rate of 4% shall be computed on aggregate of on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

However, as per Section 115BBD, if the income by way of dividend of an assessee, being resident in India, other than domestic company exceeds ten lakh rupees, then income tax will payable at the rate of 10 percent of income by way of dividend in excess of ten lakh rupees. No expenditure or allowances or set off shall be allowed to the assessee in respect of such income.

b. Capital gains

(i) Computation and taxability of capital gains

Capital assets are to be categorized into short term capital assets and long term capital assets based on their nature and the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the ITA), or a zero coupon bond (as defined in the ITA), held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.

STCG means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the ITA), or a zero coupon bond (as defined in the ITA), held by an assessee for twelve months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.

LTCG arising on transfer of equity share in a company, or a unit of an equity oriented fund (as defined in the ITA), or a unit of a business trust (as defined in the ITA) is exempt from tax as per provisions of Section 10(38) of the ITA, provided the transaction of sale of such shares or units is chargeable to SIT and subject to conditions specified in that section. However such LTCG shall be taken into account in computing the book profit and income tax payable under section 115JB of the ITA.

As per provisions of Section 48 of the ITA, which prescribes the mode of computation of capital gains, provides for deduction of COA/I and expenses incurred (other than STT paid) in connection with the transfer of a capital asset,

from the sale consideration to arrive at the amounts of capital gains. However in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed COA/I computed by applying the cost inflation index as prescribed from time to time.

As per provisions of Section 112 of the ITA, LTCG not exempt under Section 10(38) of the ITA are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit), or zero coupon bonds (as defined in the ITA), exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

In case if individual or Hindu Undivided Family ('HUF'), where the total taxable income as reduced by LTCG is below the basic exemption limit, the LTCG will be reduced to the extent of the shortfall and only the balance LTCG will be subjected to such tax in accordance with the Proviso to sub-section (1) of Section 112 of the ITA.

As per provisions of Section 111A of the ITA, STCG arising on transfer of equity shares, or units of equity oriented mutual fund (as defined in the ITA), or units if a business trust (as defined in the ITA) and are subject to tax at the rate of 15% provided the transaction is chargeable to SIT. No deduction under Chapter VIA is allowed from such income.

STCG arising on transfer of equity shares, or units of equity oriented mutual fund (as defined in the ITA), or units if a business trust (as defined in the ITA), where such transaction is not chargeable to SIT is taxable at the normal tax rates as per the ITA, which is 25% at present.

The tax rates mentioned above stand increased by surcharge as prescribed for various categories of assessee as per the provisions of the ITA. Further, Health and Education Cess which will be chargeable at the rate of 4% of income-tax and surcharge respectively of the income tax is payable by all categories of tax payers.

As per provisions of Section 71 read with Section 74 of the ITA, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains arising from income – tax

As per Section 54EC of the ITA, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and RBC and subject to the conditions specified therein.

Where a part of the LTCG is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed ` 5,000,000 per assessee during any financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as LTCG in the year of transfer / conversion.

As per provisions of Section 14A of the ITA, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

The characterization of the gain/losses arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(C) Benefits to the Non-resident shareholders of the Company under the ITA

(a) Dividends exempt under section 10(34) of the ITA

As per provisions of Section 10(34) of the ITA, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend

distribution tax at an effective rate of 20.555% (inclusive of surcharge of 12% on the dividend distribution tax and Health & Education Cess at the rate of 4% shall be computed on aggregate of on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

(b) Capital gains

(i) Computation and Taxability of capital gains

Capital assets are to be categorized into short - term capital assets and long - term capital assets based on their nature and the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the ITA), or a zero coupon bond (as defined in the ITA), held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty six months to be considered as long - term capital assets.

STCG means capital gains arising from the, transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India, or a Unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the ITA), or a zero coupon bond (as defined in the ITA), held by an assessee for twelve months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.

LTCG arising on transfer of equity share in a company, or a unit of an equity oriented fund (as defined in the ITA), or a unit of a business trust (as defined in the ITA) is exempt from tax as per provisions of Section 10(38) of the ITA, provided the transaction of acquisition and sale of such shares or units is chargeable to STT or such acquisition is in the mode specified in the rules framed hereunder and subject to conditions specified in that section. However such LTCG shall be taken into account in computing the book profit and income tax payable under section 115JB of the ITA.

As per first proviso to Section 48 of the ITA, the capital gains arising on transfer of shares of an Indian company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders. Acquisition cost of the Company shares is to be computed on the basis of the proportion of net book value of asset of Omkar Speciality Chemicals Limited bears to the net worth of Omkar Speciality Chemicals Limited prior to demerger multiplied by the cost of acquisition of shares of Omkar Speciality Chemicals Limited held by the shareholder who is allotted shares of the Company pursuant to demerger as required under Section 49(2C) of ITA. Similarly, cost of Omkar Speciality Chemicals Limited shares would be the cost of acquisition minus cost allocated to the Company shares minus Section 49(2D). Under Explanation 1(g) to Section 2(42A), period of holding of Omkar Speciality Chemicals Limited shares would be included while computing period of holding of the Company shares.

As per provisions of Section 112 of the ITA, LTCG not exempt under Section 10(38) of the ITA are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than units), or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

As per provisions of Section 111A of the ITA, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined in the ITA), and units of business trust (as defined in the ITA), are subject to tax at the rate of 15% provided the transaction is chargeable to SIT. No deduction under Chapter VIA is allowed from such income.

As per provisions of Section 71 read with Section 74 of the ITA, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Longterm capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

The tax rates mentioned above stand increased by surcharge as prescribed for various categories of assessee as per the provisions of the ITA. Further, Health and Education Cess which will be chargeable at the rate of 4% of income-tax and surcharge respectively of the income tax is payable by all categories of tax payers.

(ii) Exemption of capital gains arising from income – tax

As per Section 54EC of the ITA, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed ₹ 5,000,000 per assessee.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer or conversion.

As per provisions of Section 14A of the ITA, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

The characterization of the gain / losses, arising from sale or transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(c) Tax Treaty benefits

As per provisions of Section 90(2) of the ITA, non-resident shareholders can opt to be taxed in India as per the provisions of the ITA or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder or the ITA, whichever is more beneficial. The availability of such benefit is subject to the non-resident furnishing the requisite documentation as prescribed under section 90 of the ITA.

(d) Non-resident taxation

Besides the above benefits available to non-residents, Non Resident Indians ("NRIs") have the option of being governed by the provisions of Chapter XII-A of the ITA which inter-alia entitles the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in foreign convertible exchange.

Special provisions in case of NRI in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the ITA are as follows:

NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

Specified foreign exchange assets include shares of an Indian company which are acquired / purchased/subscribed by NRI in convertible foreign exchange.

As per provisions of Section 115E of the ITA, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus Health and Education Cess which will be chargeable at the rate of 4% of income-tax and surcharge respectively).

As per provisions of Section 115E of the ITA income (other than dividend which is exempt under section 10(34) from investments and LTCG (other than gain exempt under Section 10(38) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (plus Health and Education Cess which will be chargeable at the rate of 4% of income-tax and surcharge respectively).. No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the ITA.

As per provisions of section 115F of the ITA, LTCG (other than gain exempt under section 10(38) arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the

specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

As per provisions of Section 115G of the ITA, where the total income of a NRI consists only of investment income/LTCG from such foreign exchange asset I specified asset and tax thereon has been deducted at source in accordance with the ITA, the NRI is not required to file a return of income.

As per provisions of Section 115H of the ITA, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he I she may furnish a declaration in writings to the assessing officer, along with his I her return of income under Section 139 of the ITA for the assessment year in which he I she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him I her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

As per provisions of Section 115I of the ITA, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the ITA, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the ITA shall be applicable while determining the taxable income and tax liability arising thereon.

(D) Benefits available to Foreign Institutional Investors (FIIs) under the ITA

(a) Dividends exempt under section 10(34) of the ITA

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received from the Company is exempt from tax in the bands of institutional investor. The Company will be liable to pay dividend distribution tax at an effective rate of 20.555% (inclusive of surcharge of 12% on the dividend distribution tax and Health & Education Cess at the rate of 4% shall be computed on aggregate of on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

(b) Long- term Capital gains exempt under section 10(38) of the ITA

LTCG arising to the institutional investor from sale of equity shares of a company is exempt from tax as per provisions of Section 10(38) of the Act provided the transaction is chargeable to STT and subject to conditions specified in that section.

It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

(c) Capital gains

As per provisions of section 115AD of the ITA, income (other than income by way of dividends referred to Section 115-O received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (Health and Education Cess which will be chargeable at the rate of 4% of income-tax and surcharge respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the ITA. Further, the benefit of indexation or foreign currency conversion under the first and second provisos of section 48 of the ITA shall not be available while computing capital gains in respect of transfer of securities.

As per provisions of Section 115AD of the ITA, capital gains arising from transfer of securities are taxable as follows:

Nature of Income	Rate of tax (5)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

The tax rates mentioned above stand increased by surcharge as prescribed for various categories of assessee as per the provisions of the ITA. Further, Health and Education Cess which will be chargeable at the rate of 4% of income-tax and surcharge respectively of the income tax is payable by all categories of taxpayers.

The benefit of exemption under Section 54EC of the ITA mentioned above in C8IC of the Company is also available to FIIs.

(i) Securities Transaction Tax

As per provisions of Section 36(1)(xv) of the ITA, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(ii) Tax Treaty benefits

As per provisions of Section 90(2) of the ITA, FIIs can opt to be taxed in India as per the provisions of the ITA or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. The availability of such benefit is subject to the nonresident furnishing the requisite documentation as prescribed under Section 90 of the ITA.

As per section 2(14) of the ITA, securities held by an FII which has invested in such securities in accordance with the regulations made under the SEBI Act, shall be treated as capital assets. Accordingly, income of an FII from transfer of securities shall be treated as capital gains.

(E) Benefits available to Alternative Investment Funds

As per the provisions of Sections 10(23FBA), 10(23FBB) and 115UB of the ITA, any income of an Investment Fund (other than income chargeable under the head profits and gains from business and profession) shall not be chargeable to tax in the hands of the Investment Fund. The term "Investment Fund" means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the SEBI Act.

However, the income distributed by the Investment Funds to its investors would be taxable in the hands of the recipients.

Notes: All the above benefits are as per the current tax laws and will be available only to the sole I first name holder where the shares are held by joint holders.

The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase ownership and disposal of shares.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise stated, the information in this section is derived from “Global Veterinary Industry Overview” dated June 5, 2018 by Knowledge Resources Group. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

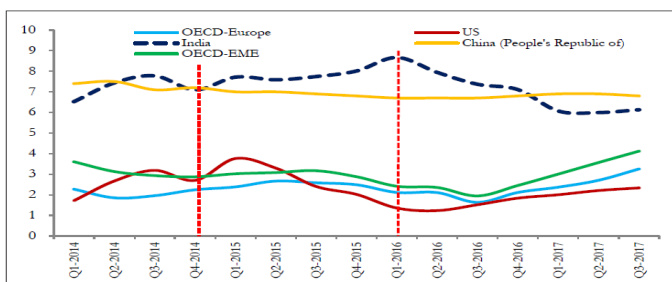
Global Economic Environment

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

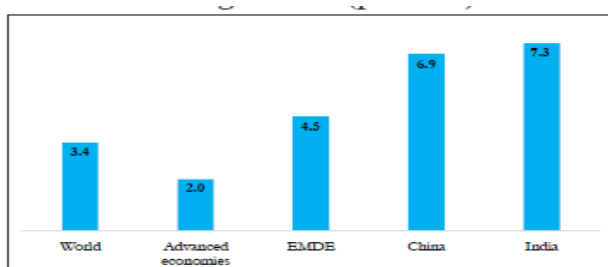


Source: OECD, Survey calculations. Growth rate of seasonally adjusted real GDP.

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

An Overview of India's Economic Performance

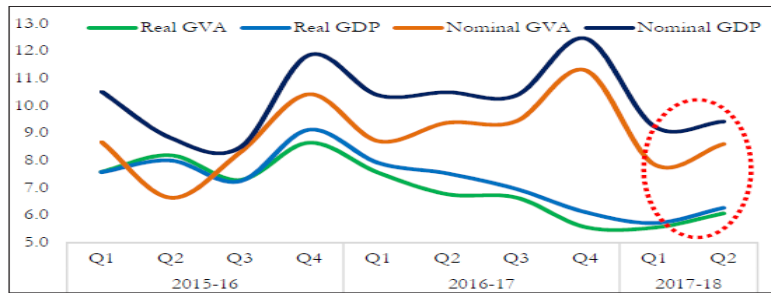
The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Gross Domestic Product (GDP) growth averaging 7.5 per cent between 2014-15 and 2016-17, India can be rated as among the best performing economies in the world on this parameter. Although growth is expected to decline to 6.5 per cent in 2017-18, bringing the 4-year average to 7.3 per cent, the broad story of India's GDP growth to be significantly higher than most economies of the world does not alter. The growth is around 4 percentage points higher than global growth average of last 3 years and nearly 3 percentage points more than the average growth achieved by emerging market & developing economies (EMDE) (Figure 1).



Source: Based on IMF's World Economic Outlook Database (October 2017)

From a low of 5.5 per cent in 2012-13, growth in GDP steadily improved for 3 years and peaked in 2015-16, particularly in fourth quarter (Q4) when it printed 9.1 per cent (GVA growth also peaked in Q4 of 2015-16). However, growth started slowing down from first quarter (Q1) of 2016-17. GDP and GVA growth slowed to 6.1 per cent and 5.6 per cent respectively in Q4 of 2016-17. GDP growth further declined to 5.7 per cent in Q1 of 2017-18. However, the second quarter (Q2) of 2017-18 witnessed reversal of declining trend of GDP growth, with growth increasing to 6.3 per cent. The nominal GDP and GVA growth also picked up to 9.4 per cent and 8.6 per cent respectively in Q2 of 2017-18 (Figure 2).

Figure 2 : Quarterly growth in GDP and GVA (per cent)



Source: Central Statistics Office (CSO)

As per the 1st AE, the real GDP growth is expected to be 6.5 per cent in 2017-18, while the real GVA at basic prices is expected to register a growth of 6.1 per cent. With GDP and GVA growth of 6.0 per cent and 5.8 per cent respectively in the first half (H1) of the current financial year, the implicit growth for the second half (H2) of the year works out to be 7.0 per cent and 6.4 per cent respectively, indicating further recovery of the economy that began in the Q2 of 2017-18. Major macro indicators viz. gross fixed investment and exports are also expected to grow at a faster pace in H2 vis-à-vis H1 of 2017-18.

In the recent years, the wedge between the real and nominal GDP growth has narrowed significantly. While real GDP growth averaged 6.4 per cent between 2012-13 and 2014-15, the nominal growth was 12.5 per cent in this period. In comparison, during the three-year period from 2015-16 to 2017-18, the real and nominal GDP average growth is estimated to be 7.2 per cent and 10.1 per cent respectively, pointing to higher differences in the former period than latter. This is not surprising given that the fact that inflation in the earlier period (particularly in 2012-13 and 2013-14) was significantly higher than the latter.

The growth in nominal GDP in 2016-17 is estimated to be 11 per cent and it is expected at 9.5 per cent in 2017-18 on account of both lower real growth as well as lower value of deflator in 2017-18. The growth of nominal GVA in these two years is estimated to be 9.7 per cent and 9.0 per cent respectively. The differences in the nominal growth between GVA and GDP have also increased in the last few years. This is indicative of an increase in the share of net indirect taxes in GDP.

External Sector

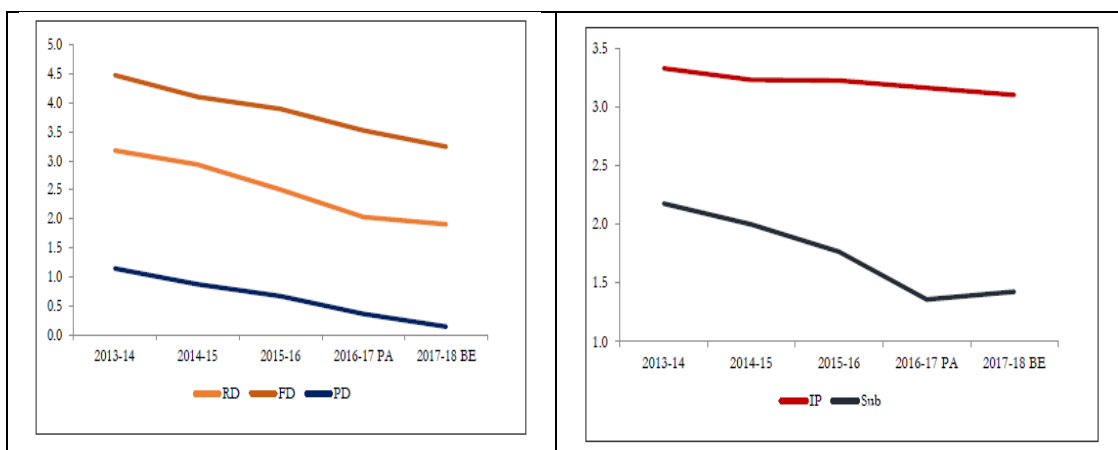
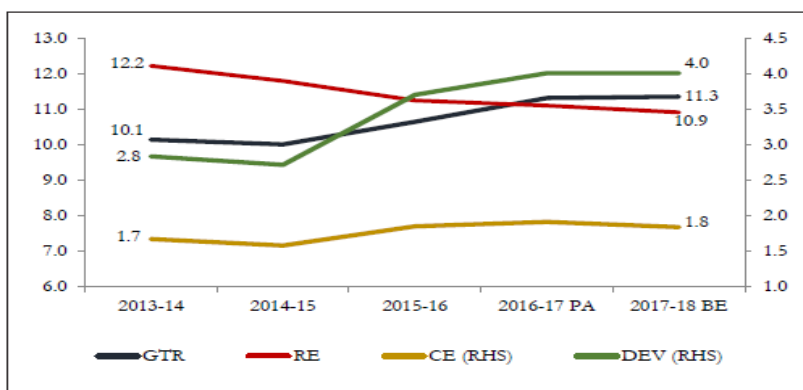
The global economy has been gathering pace and is expected to accelerate from 3.2 per cent in 2016 to 3.7 per cent in 2018. World trade volume growth is projected to increase from 2.4 per cent in 2016 to 4.2 per cent and 4.0 per cent respectively in 2017 and 2018. Commodity prices (fuel and nonfuel) are also expected to grow in contrast to decline in the last few years. India's external sector has continued to be resilient and strong in 2017-18 so far and the balance of payments (BoP) situation continued to be comfortable. Current account deficit (CAD) was 1.8 per cent of GDP, merchandise exports grew by 12 per cent, net services receipts grew by 14.6 per cent, net foreign investment grew by 17.4 per cent, and external debt indicators improved in H1 of 2017-18.

Trade Policy

Two important developments in the trade policy during the year are the mid-term review of Foreign Trade Policy (FTP) and the recent multilateral negotiations of WTO in December 2017. There were some developments on the trade logistics front and anti-dumping measures. MEIS (Merchandise Exports from India Scheme) incentives for two sub-sectors of textiles and SEIS (Service Exports from India Scheme) for notified services have been increased by 2 per cent. Besides this, in December 2017, a special package for employment generation in leather and footwear sector was approved by the Government which is likely to help exports from these sectors. Improved logistics have huge implications on increasing exports. Government has recognized the need for integrated development of logistics sector. The Indian logistics market is expected to reach about US\$ 215 billion in 2019-20.

Fiscal Developments

The firm footing afforded by the Government to unleash tax reforms in the current year could be perused from the Charts below. Most fiscal indicators—revenue buoyancy, expenditure quality, devolution and deficits—improved discernibly in the last three years. A detailed discussion of the trends in receipts, expenditure and devolution by the Centre and the financial position of the General Government till BE 2017-18 was presented in the Volume 2 of the Economic Survey 2016-17 and hence is largely avoided in the ensuing sections. The trends discussed here relate largely to the first eight months of the current financial year.



Source: Controller General of Accounts (CGA), Government of India

Note: GTR=gross tax revenue; RE=revenue expenditure; CE=capital expenditure; DEV=tax devolution to States; IP=interest payments; Sub=subsidies; RD=revenue deficit; FD=fiscal deficit; PD=primary deficit; PA=provisional actuals; BE=budget estimates

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

Prospects of Growth for 2017-18

Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

Figure 17. GVA, GFCF and IIP
(Year-on-year, percent)

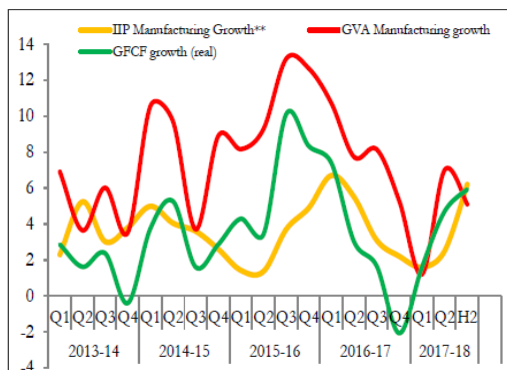
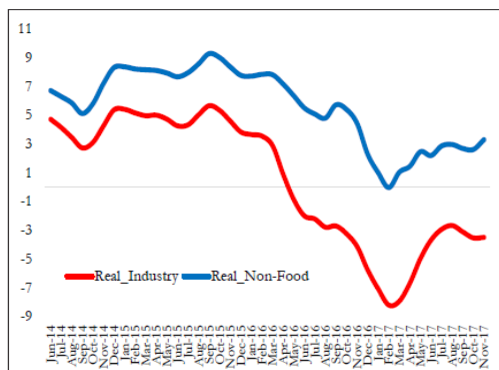


Figure 18: Real Credit Growth***
(Industry and Non-Food Credit, 3MMA, YOY)



Source: CSO, Survey calculations; *-The last data points for GVA, GFCF based on data for H2. **-IIP for Q3 is based on data from October and November; ***-Deflated using average of CPI and WPI.

Figure 19. Sale of Motorcycles
(Seasonally adjusted, in thousands)

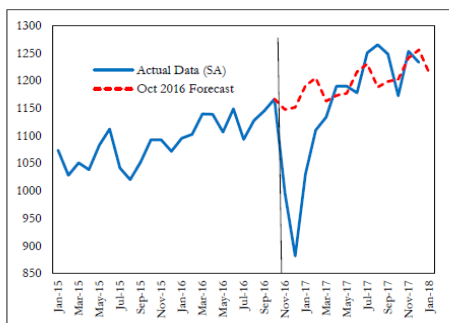
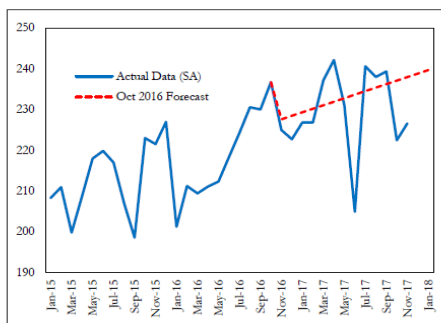
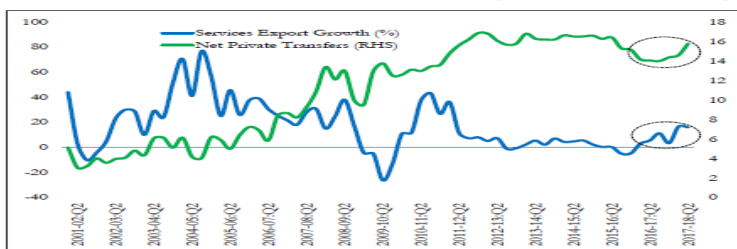


Figure 20. Sale of Passenger Cars
(Seasonally adjusted, in thousands)



Source: Society for Indian Automobile Manufacturers, Survey calculations.

Figure 21. Services Export Growth (percent) and Net Private Remittances (in US\$ billion)



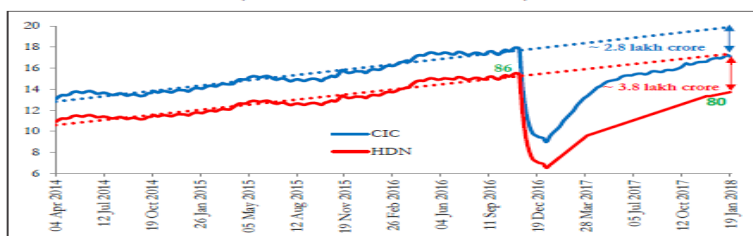
Source: RBI, Survey calculations.

Perhaps most significantly, the behavior of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakhs crores less high denomination notes (2.5 percent of GDP).

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)



Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

All this said, while the direction of the indicators is positive, their *level* remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest. In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favorable base effects, especially in the fourth quarter.

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

Prospects of Growth for 2018-19

CSO has estimated the GDP growth in 2017-18 to be 6.5 per cent. However, there are indicators that have emerged in the last few days like manufacturing and services PMI, growth of industrial sector as reflected by higher IIP, automobile sales etc. which seem to suggest that the GDP growth could be a little higher than CSO's estimates and for 2017-18, (it could be in the range of 6.5 to 6.75 per cent). The growth during 2018-19 could be higher, depending on a number of factors. On the positive side, as per IMF's World Economic Outlook released in October 2017, the global growth is expected to accelerate to 3.7 per cent in 2018 from 3.6 per cent in 2017. This can be expected to provide further boost to India's exports, which have already shown an acceleration in the current financial year. Remittances have shown signs of revival in the first half of current year and can be expected to pick up, particularly if oil prices maintain their rising trend witnessed in the current year.

There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. The policy rates can be expected to remain fairly stable if the inflation rate does not deviate much from its current levels. This, along with the still favourable interest rate regime prevailing in the global markets could provide greater certainty to the investment climate. The reform measures undertaken in 2017-18 can be expected to strengthen further in 2018-19 and reinforce growth momentum. On the other hand, downside risk to higher growth emanate from higher crude oil prices, which (going by current indications) can be expected to increase by about 10-15 per cent over and above the likely average price of around US\$ 56-57 per barrel (for Indian basket) for 2017-18. Protectionist tendencies in some of the countries could have an impact on exports growth, while the possibility of tightening of monetary conditions in the developed countries could lead to lower capital inflows. This monetary tightening could also lead to the possibility of financial stress and therefore can be a downside risk. On balance, there is a strong possibility of growth in 2018-19 to be higher than what it is expected to be in 2017-18. Growth of GDP in 2018-19 could be in the range of 7.0 to 7.5 per cent.

India has leapt 30 ranks over its previous rank of 130 in the World Bank's latest Doing Business Report 2018. Moody's Investors Service has also raised India's rating from the lowest investment grade of Baa3 to Baa2. This has been made possible due to a host of measures undertaken by the Government including implementation of GST, Insolvency and Bankruptcy Code, and announcement of bank recapitalization. A number of reforms were undertaken to boost industrial growth including Make in India programme, Start-up India and Intellectual Rights Policy. (Source: Economic Survey 2017-18, www.indiabudget.nic.in)

Market Size

India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, according to Bloomberg consensus.

The tax collection figures between April-June 2017 Quarter show an increase in Net Indirect taxes by 30.8 per cent and an increase in Net Direct Taxes by 24.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 404.92 billion in the week up to December 22, 2017, according to data from the RBI.

Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- India received net investments of US\$ 17.412 billion from FIIs between April-October 2017.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).

- The Government of India has saved US\$ 10 billion in subsidies through direct benefit transfers with the use of technology, Aadhaar and bank accounts, as per a statement by Mr Narendra Modi, Prime Minister of India.
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The total projected expenditure of Union Budget 2018-19 is Rs 23.4 lakh crore (US\$ 371.81 billion), 9 per cent higher than previous year's budget, as laid out in the Medium Term Expenditure Framework (MTEF).
- India received the highest ever inflow of equity in the form of foreign direct investments (FDI) worth US\$ 43.4 billion in 2016-17 and has become one of the most open global economies by ushering in liberalisation measures, as per the mid-year economic survey of India.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- Indian merchandise exports in dollar terms registered a growth of 30.55 per cent year-on-year in November 2017 at US\$ 26.19 billion, according to the data from Ministry of Commerce & Industry
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

Government Initiatives

In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

The Government of Maharashtra has set a target to double farm income by 2022 through measures like large scale micro irrigation, water conservation, expansion of formal cash credit coverage, crop insurance and agriculture diversification, as per Mr Vidyasagar Rao, Governor of Maharashtra.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr. Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.

- The Government of India has decided to invest ₹ 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The fiscal deficit of the Government of India, which was 4.5 per cent of the gross domestic product (GDP) in 2013-14, has steadily reduced to 3.5 per cent in 2016-17 and is expected to further decrease to 3.2 per cent of the GDP in 2017-18, according to the Reserve Bank of India (RBI).
- The Government of India plans to implement a new scheme, named 'Sasti Bijli Har Ghar Yojana' with an outlay of Rs 17,000 crore (US\$ 2.64 billion), to provide electricity to around 40 million un-electrified households in the country.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.
- India's revenue receipts are estimated to touch ₹ 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Exchange Rate Used: INR 1 = US\$ 0.0156

Global Industry Snapshot

The global veterinary industry is making rapid strides across the globe, ripe with potent possibilities on the back of a pronounced tech-enablement of products and services, penetrating R & D initiatives of industry players and potent market inroads into hitherto untapped regions of the world, especially the developing economies.

Veterinary R&D is reasonably predictable and cost effective, as most animal health drugs originate from human health or crop protection products. This industry is predominantly branded generic in nature, as patented products comprise less than 20% of total market offerings, and most corporate players are typically subsidiaries of pharma majors that are focused on human healthcare. Notably enough, even the fringe players have grown at higher than industry rates.

Hitherto, animal health manufacturing was stationed in and focused on domestic shores in most countries, but today pharma heavyweights are increasingly exploring outsourcing options to rationalise production costs and benefit from lower overheads. This presents a humungous opportunity to Indian companies to become leading global sourcing hubs equipped with compliant facilities.

One of the most visible, recent changes in the animal health industry is the financial sector's acknowledgement of animal health as an attractive investment opportunity. According to the American Pet Products Association, the animal health industry has grown 20% since 2010, far outpacing many other industries. As a result, significant funds have been invested into companies focused exclusively on animal health products and services. While it was once standard for animal health businesses to be integrated into much larger human health parent companies, animal health companies capable of operating successfully as stand-alone entities have been fast emerging in recent times. The most publicized event of this type occurred in February 2013, when Pfizer spun out its animal health business into a new entity, Zoetis. This move garnered significant interest from the investment community and raised the profile of the animal health industry to broader markets. The mounting demand of high- quality meat and milk, rampant disease outbreaks and growing affinity and concern for companion animals have provided a big boost to the veterinary industry across the globe.

The Global Animal Healthcare market revenues are projected to expand at a CAGR of 4.3% during the 2017-2027 and a reach value of US\$ 54,548.0 Mn by the end of 2027. (Source: Future market Insights, 2017)

The global veterinary vaccines market is expected to grow at a CAGR of 7.9 per cent from 2017 to reach USD 10439 million by 2022. The global animal vaccines market is valued at USD 6147 million in 2017 and is expected to grow at a CAGR of 5.8 per cent between 2017 and 2022 to reach USD 8125 million. Vaccination has now emerged as one of the most used medical products, protecting animals and livestock from various diseases irrespective of whether these animals are domestic or wild. These vaccinations not only help in preventing diseases but also in minimising the use of antimicrobials. Increased demand in emerging global markets, coupled with a relatively low risk of developing health products, make the animal health industry a lucrative investment opportunity. The trend is dominated by the increasing importance of poultry and livestock animals. Apart from the population explosion, rising income levels and increasing urbanisation, there is an ascent in the global demand for meat, especially in the developing countries. Another factor contributing to the bright prospects of the industry is the upsurge in the number of pets and increasing awareness about animal health among people. Asia-Pacific is one of the major producers of animal meat and estimated to be the fastest- growing region during the forecast period. (Source: Animal health Asia, Market data forecast)

The global Animal Healthcare market is segmented into seven major regions: North America, Latin America, Western Europe, Eastern Europe, Asia Pacific excluding Japan (APEJ), Japan, and Middle East & Africa (MEA). North America dominates the global market for Animal Healthcare and is expected to reach US\$ 18,186.4 Mn by 2027 end. The Western Europe market is expected to account for the second largest market value share, followed by APEJ. North America and Europe collectively constitute more than 60% of the market share over the forecast period. Japan is expected to be the least attractive region for animal healthcare due to less pet adoption. (Source: Future market Insights, 2017)

A BRICS Perspective

Due to market globalisation and liberalisation, countries outside the EU and USA are becoming increasingly attractive. Amid the economic stagnation in the EU today, the economic potential of newly industrialised nations such as Brazil, Russia, India, and China (abbreviated BRIC countries) is increasing rapidly at the same time and the markets for veterinary medicinal products (VMPs) can benefit from the rapid growth of those emerging markets. In its last global

benchmarking survey from 2011, the International Federation for Animal Health (IFAH) points out that there is a slowing growth in the farm animal sector in Europe and the USA, accompanied by a much stronger growth in China, India, and parts of South America. In addition, the IFAH observed a long-term growth in other emerging markets.

Today, European companies producing veterinary medicines register preferentially the main part of their products in several countries of the European Economic Area (EEA) via European procedures, such as the decentralised procedure (DCP), the mutual recognition procedure (MRP), or the centralised procedure (CP). The liberalisation of markets, increasing global trade with livestock products and the growing demand for middle-class pursuits, such as companion animal bond in the developing countries, resulted in a rising demand for VMPs in countries such as Brazil, Russia, India, and China.

Global Market Specifics, Size and Scope

The global animal healthcare market is fragmented with the top three players accounting for a mere 37% of the market share. Bayer, Novartis, Virbac, Ceva, Boehringer, Elanco and Vetoquinol are some of the established global players. Prominent regional players in different countries include Vallee and Ouro Fino in Brazil, China Animal Husbandry Industry Co. Ltd and Yebio Bioengineering Co. Ltd in China, Venky's in India, and Provimi Animal Nutrition in Netherlands.

The market is highly volatile with a lot of mergers, acquisitions and joint ventures taking place in the last few years. Competition is expected to diminish eventually due to snowballing consolidation.

The entry of global human health market players is a looming threat to existing players, given the former's access to economies of scale and competitive prices. The generic drug manufacturers and small-scale innovative start up enterprises emerging from research institutions pose a low-level threat as entrants, as they lack capital and expertise. Animal drug competition is less susceptible to generic influences, compared to human drugs, due to lack of intervening insurance and employer programs that require the selection of generic alternatives. In case of new product development, the threat of entering the market is primarily faced from small-scale innovative start-ups launched by universities and other research institutions. However, regulatory risks put a strong barrier before them to enter the market.

The market is characterised by varying customer needs across regions due to (a) different standards of living across regions, (b) dietary preferences for different animal proteins, pet ownership preferences and pet care standards, (c) prevalence of certain bacterial and viral strains and disease dynamics, (d) seasonality, climate and availability of arable land and fresh water and (e) different regulatory standards for product approval and manufacturing.

Pet owners, animal farm proprietors and retail stores constitute the buying populace of the animal health care market. The plethora of market choices in terms of brand names and product variants boost the bargaining propensity of buyers which is often driven by the recommendations of veterinarians and animal nutritionists. The specific priorities and preferences circuitously end up affecting product pricing and profitability. Overall, suppliers have limited control over the market as drug producers are the providers of basic raw materials. Having said that, speciality chemicals with high QA standards enable suppliers to exercise some influence. Also, there's little pricing pressure from insurance companies and the government which make margins reasonably attractive.

Growth in this segment is a function of growth in pet care and livestock production segments. As livestock production and the rate of pet ownership both continue to increase in response to rising demand and increased standard of living, animal health medicines and vaccines will also be needed in greater volumes. Key growth countries are the Americas (driven by LatAm countries, primarily Brazil) while growth for rest of the markets is driven by China, MENA region, Turkey and India.

In terms of segments, feed additives had the largest share among the product segments in the animal healthcare market. The other two segments included pharmaceuticals and vaccines. While the feed additives market is growing mainly due to the increasing production of animal population, the pharmaceuticals and vaccines segments are being driven by the increasing incidence of animal diseases and increasing concern for animal immunization against diseases. By animal type, production animals had a larger share, compared to companion animals, in the animal healthcare market

which is increasing due to increasing meat and milk consumption globally. The demand for meat is increasing in developing countries including India and China.

Key Segments

By Product



Source: Future Market Insights, 2017, KRG

	Feed Additives	Pharmaceuticals	Vaccines
Types	Nutritional: Amino acids, minerals, and vitamins for optimal growth of production animals. Medicinal: Hormones, enzymes, immune-modulators, probiotics, prebiotics, and feed acidifiers targeting specific diseases in production and companion animals	Endoparasiticides, Ectoparasiticides, endectocides, antibiotics, anti-inflammatories, and medicines for reproductive problems	Attenuated live vaccines, conjugate vaccines, inactivated vaccines, subunit vaccines, toxoid vaccines, DNA vaccines and recombinant vaccines
Growth triggers	Growing production animal population due to growing demand for meat and milk	Growing concern of pet and animal farm-owners in the wake of rampant animal disease and deaths	Growing awareness about the need for animal immunity against diseases and concern over animal bite fatalities

Points to note:

- ✓ Global feed additives continue to hold the largest market value among all product types
- ✓ Growing global restrictions on antibiotics would keep pharma segment pressured, thereby further boosting the feed additives segment.
- ✓ In terms of value, the global veterinary vaccines market is anticipated to be valued at US\$ 14,149 Mn by 2026, expanding at a moderate CAGR over the forecast period.

A word about Diagnostics services

The veterinary diagnostics market is expected to grow at a CAGR of 9.3% between 2017 and 2022 to reach 3620 million by 2022. This is largely thanks to a two-fold trigger of interwoven factors: one, the acute need to fight the lethal antimicrobial-resistant bacteria; two, better animal health awareness, and hence, growing vet-related investments. From the supply side, the growing use of nanotechnology in VD has been a key growth trigger while from the demand side, the key driver is the acute need for authentic and rapid molecular diagnosis. However, increasing adaption of vegetarian diet, and economic slowdown are some of the factors restraining the growth of the global veterinary diagnostics market to some extent.

Geographically, North America will be leading the global veterinary diagnostics market in the coming years, due to increasing awareness of animal health and increasing ability of veterinarians to provide animal diagnostics services. Asia-Pacific is the fastest growing region in the global vaccine market. The major reasons for the fastest growth of veterinary diagnostics market in the region are rising number of companion animals due to mounting urbanization, and rise in per-capita income, in the region. Moreover, the veterinary diagnostics market is growing due to increasing awareness of animal health in the emerging countries, such as India and China, of Asia-Pacific region. Some of the companies operating in the global veterinary diagnostics market are IDEXX Laboratories, Inc., Virbac SA, Zoetis, Inc., Thermo Fisher Scientific, Inc., ABAXIS, Inc., Virbac SA, Neogen Corporation, VCA Antech, Inc., HESKA Corporation, and Mindray Medical International, Ltd.

Key Segments

By Animal Type

The global animal population grew significantly in the past few years, due to growing consumption of animal protein. This coupled with rising per-capita income escalated the demand for animal healthcare products for production animals. The companion animal population also grew significantly in the past few years, mostly in the developing countries of Asia-Pacific and the Middle East.

Production Animals segment is projected to grow at the fastest CAGR over the forecast period to reach a value of US\$ 35,041.9 Mn by 2027 end. Companion Animals segment is expected to gain a market value of US\$ 13,725.0 Mn in 2017 and is projected to grow at a CAGR of 3.6% over the forecast period.

India, Italy, and Brazil are fastest growing markets for companion animal healthcare products, driven by a growing animal population. Some markets, including Italy and Australia, have been adversely affected due to declining population of production animals in these countries.

(Source: Future market Insights)

India has witness health growth in Major Livestock products. The following table gives the production of Major livestock products in India from year 2001-2015.

Source: (Annual Report 2016-17, DAHD, Govt. of India), KRG

Production of Major Livestock Products – All India				
Year	Milk (Million Tonnes)	Eggs (Million Nos.)	Wool (Million Kgs.)	Meat (Million Tonnes)
2001-02	84.4	38729	49.5	1.9
2002-03	86.2	39823	50.5	2.1
2003-04	88.1	40403	48.5	2.1
2004-05	92.5	45201	44.6	2.2
2005-06	97.1	46235	44.9	2.3
2006-07	102.6	50235	45.1	2.3
2007-08	107.9	53583	43.9	4.0
2008-09	112.2	55562	42.8	4.2
2009-10	116.4	60267	43.1	4.5
2010-11	121.8	63024	43	4.9

Production of Major Livestock Products – All India				
Year	Milk (Million Tonnes)	Eggs (Million Nos.)	Wool (Million Kgs.)	Meat (Million Tonnes)
2011-12	127.9	66449	44.7	5.5
2012-13	132.4	69731	46.1	5.9
2013-14	137.7	73438	47.9	6.2
2014-15	146.3	78484	48.1	6.7
2015-16	155.5	82929	43.6	7.0

Source: (Annual Report 2016-17, DAHD, Govt. of India), KRG

Evolving Trends

The veterinary industry is evolving by the minute. Significant trends impacting the veterinary industry include:

Spread of disease and disorder

The global veterinary industry encompasses various veterinary health products such as biologicals, medicated feed additives, and veterinary pharmaceuticals. Animal health product ranges are becoming more extensive, now including metabolic drugs, anti-infectives, reproductive aids, feed additives, vaccines, imaging diagnostics, topical solutions, and parasite controls. Products used to treat chronic illnesses including cancer, cardiovascular disease, and osteoarthritis, also fall into this market category. According to Food and Agriculture Organization of the United Nations, three kinds of rapid changes are spreading animal disease across the globe: (1) big changes in the patterns of land use driven by climate change, urbanization and global movements of people, (2) scaling up and intensification of livestock production and marketing systems and (3) the changing interface between wildlife, humans and livestock, as humans encroach on wildlife habitat, and the degraded habitat forces wild animals to range further in search of food and water, and wildlife is consequently used as food.

There are increasingly more medications and treatments for pets today, which mean more pet owners will be coming into veterinary clinics seeking treatment for their animal. This increase in business would continue to drive up the demand for more professionally trained veterinary technicians.

Growing concern of pet owners and farm owners

With spending levels on pets reaching an all-time high, more veterinary facilities are looking to hire more veterinary technicians. According to a recent survey by the American Pet Products Association, the number of households owning a pet has reached nearly 80 million, or 65 percent of U.S. households, its highest level in two decades. This ownership trend has fuelled the need for veterinarians and animal care workers. In 2015, Americans spent more than \$15 billion on veterinary care services.

Another recent movement is animal-assisted therapy (AAT), a rehabilitation treatment involving animals to improve a patients' cognitive or social functioning. For example, to improve their clients' quality of life, some nursing homes are employing ATT to provide residents with an increased sense of security, better communication, and, in some instances, a slight decrease in dementia. ATT is also being used to help people with autism develop their social, communication, and emotional skills. In these settings, therapy dogs are often seen as a bridge from an autistic individual's private inner world to help them relate better to their surroundings.

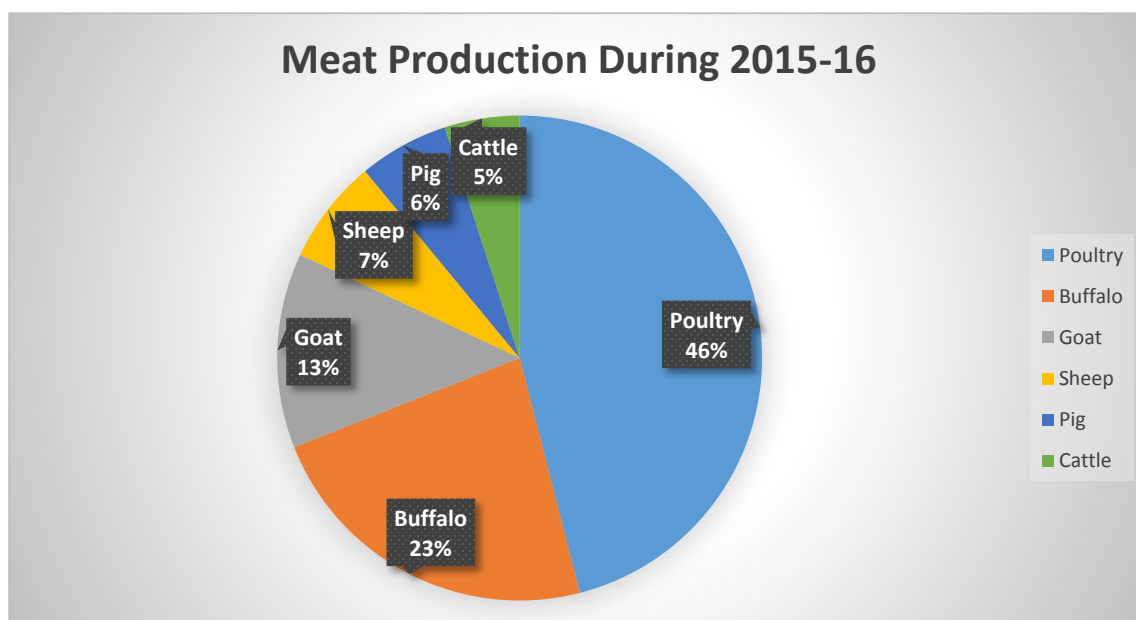
Expanding Pet population

Market growth is being fuelled by an expanding pet population and changing attitudes of owners towards their pets as companions or family members. Due to this new trend, the pet health market has fared the economic recession well, with owners reluctant to cut back on pet spending. These trends are bringing growth to the veterinary industry and that means there is a growing demand for more professionally trained veterinary technicians. On the other hand, there is a dearth of quality vets across the globe.

Today's veterinary technicians must have relevant training and passion for their work. Veterinary technicians are often required to think on their feet. Like any medical professional, taking time to research an issue is important, but there are times when a veterinary technician must be able to quickly find an answer to a pet owner's question or when assisting a veterinarian. Employers are looking for veterinary technicians with a blend of professional training and experience.

Indian Industry Snapshot

The Indian Animal Health Industry has played a vital role in safeguarding the animal husbandry interests of the nation. The Indian animal healthcare market is around USD688 million by 2017. The species share in AH market is 50% for livestock, 40% for poultry, 5% for companion animals and rest 5% for other remaining animals. Though there are no published data, INFAH anticipates the contribution of various categories of animal health products as 40% for feed supplements, 17% for antibacterials, 15% for biosecurity, 13% for antiparasitics, 5% for hormones and biologicals and 10% for other categories. There are nearly 50 major companies operating in Animal health market in India, though top 10 players dominate the market. *Source: Annual Report 2016-17, DAHD, Govt. of India, KRG*

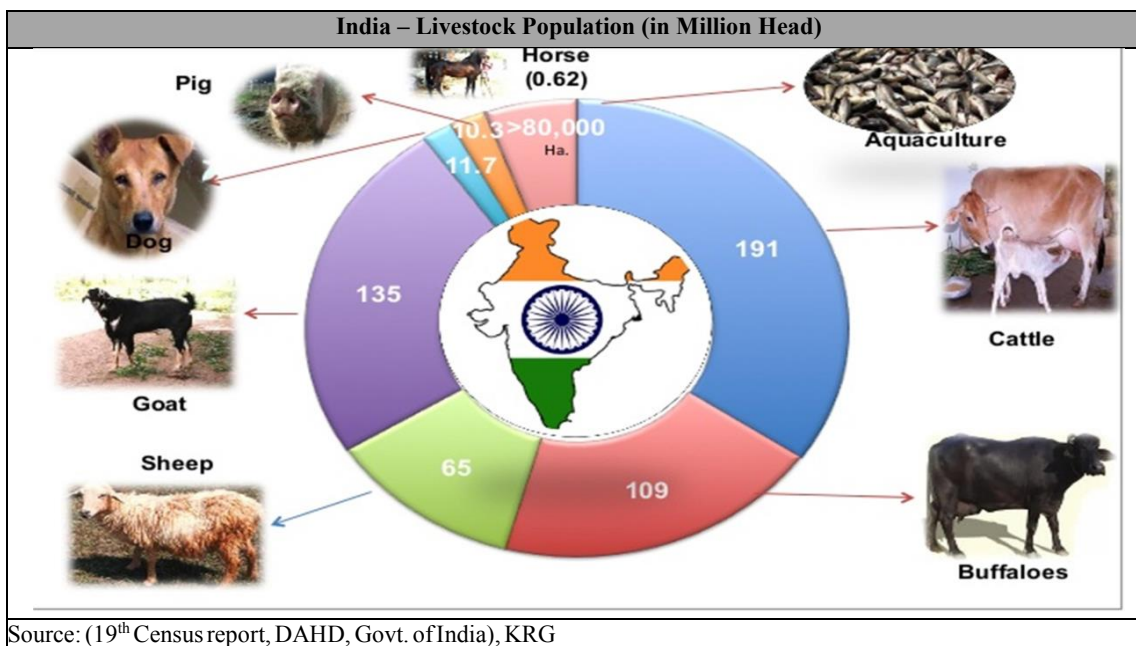


The regulation of Animal health products in India is under Department of Animal Husbandry under the Ministry of Agriculture (MOA). The Drug Controller General of India (DCGI) regulates and licenses, products for Veterinary use. Department of AYUSH is responsible for bringing regulations for herbal and contemporary medicines meant for animal use.

Animal Husbandry in India has undergone magnificent changes over the years, thanks to the adoption of innovative technologies used for prevention and cure of farm and companion animals. There has been a paradigm shift in the business approach of Animal health companies that have evolved from therapeutics to preventive to productivity enhancement and now to overall healthcare of the animals.

Through new approaches and paradigm, the animal health industry has evolved and propelled the animal husbandry to new heights of glory. India's surge to the top of milk and egg production reinforces the significance of Animal Health Industry. The Animal health industry is working together and strengthening the Animal Husbandry in the country. *(Source: Indian Federation of Animal Health Companies).*

The animal healthcare market in India has a great potential for growth, owing to the rising consumption of animal protein by Indians, increase in veterinary professionals and a number environment-related factors. The Indian market for animal healthcare is pegged to expand at a healthy CAGR of 8 per cent between 2017 and 2022. Rising at this pace, the market is expected to reach a value of USD1011 million by the end of 2022 from USD688 million in 2017. South India dominates this market with a share of 37 per cent. Andhra Pradesh and Karnataka have emerged as the most prominent local markets for animal healthcare in South India and are expected to present a substantial scope for growth. Among other zonal markets, North India is anticipated to witness a healthy rise over the near future. This will be due to the growing awareness about animal health, changing climatic conditions and dietary patterns leading to an increasing veterinary population. (Source: MRRSE, Transparency Market Research)

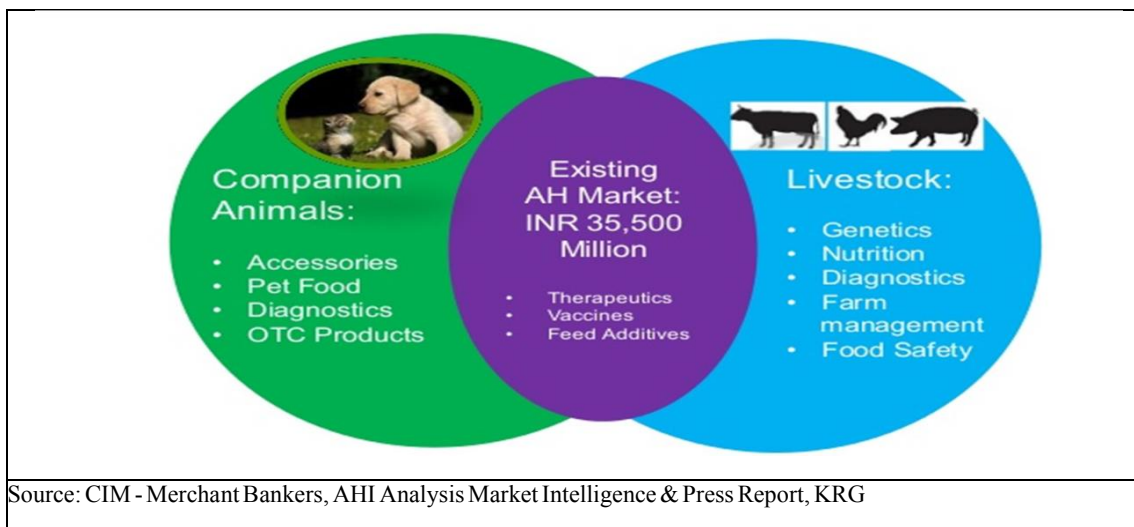


Natural Remedies, Ayurved, The Himalaya Drug Co., Zydus Animal Health, Venky's India, Cargill Inc., Cipla Inc., Intas Pharmaceuticals Ltd., Vetoquinol, Ceva Santé Animale, Virbac, Boehringer Ingelheim GmbH, Merial, Elanco, Bayer AG, Zoetis Inc., and Merck are some of the leading animal health care players.

With a share of 37%, South India has dominated the overall Indian market in 2015. Experts expect this zonal market to be driven by the rising consumption of animal protein and remain on the top over the next few years. The growing trend of keeping companion animals as pets is also propelling the animal health care market in South India. Andhra Pradesh and Karnataka have emerged as the most prominent local markets for animal health care in South India and are expected to present substantial scope for future growth. The soaring demand for antibiotics, dewormers, analgesic drugs, and other high-quality animal health care products in this zone is projected to create lucrative opportunities for market players over the coming years.

Over the forthcoming years, the escalating demand for feed additives, vaccines, and various veterinary drugs, such as antibiotics and NSAIDs, is expected to boost the North India zone.

Existing AH Market & Future Opportunities



The Indian government is actively providing mass animal vaccination service to Indian farm animals. There are numerous small animal farms in India and the farm owners are now focusing more on the health of the animals, due to peoples’ increasing concern for healthy meat. One of the biggest restraints for the animal healthcare industry in India is the lack of skilled veterinarians in the country. This accounts for fewer sales of many prospective drugs, due to the lack of awareness about the target drug for any disease. A large portion of veterinary drugs marketed in India are generic, which is a major growth restraint for the animal healthcare market in the country.

In terms of the distribution channel, the India animal health care market is classified into veterinary hospitals, veterinary clinics, drug stores, pharmacies, and various other channels like direct distribution and pet shops. Veterinary clinics are the leading distribution channel for animal health care products in India and are expected to continue to be over the next few years. The increasing population of animals, growing prevalence of veterinary diseases, and the massive market penetration are the key factors behind the progress of veterinary clinics in India.



According to the Organization for Economic Cooperation and Development (OECD), the per-capita poultry meat consumption in India is projected to reach 2.9 kg per person by 2022 from 2.56 kg in 2017. The healthcare market for production animals is expected to grow from an estimated USD 555.4 million in 2017 to USD 858.5 million in 2022 at a CAGR of 9.1%. The market for companion animals is expected to grow from an estimated USD 52.88 million in 2017

to USD 115.44 million in 2022 at a CAGR of 16.9%. The increase in the number of companion and production animals in India is expected to drive the animal healthcare market by 2022.

Sectoral Momentum

According to estimates of the Central Statistics Office (CSO), the value of output livestock sector at current prices was about ₹ 5,91,691 crore during 2015-16 which is about 28.5% of the value of output from agricultural and allied sector. At constant prices the value of output from livestock is about 29% of the value of the output from total agriculture and allied sector.

There were ~300 million bovines, 65.07 million sheep, 135.2 million goats and about 10.3 million pigs as per the 19th Livestock Census in the country. Emerging markets such as India show high growth opportunities as opposed to highly-saturated Western markets. India has been showing signs of increasing westernisation adapting to protein-rich high meat diet. India's total chicken meat consumption for 2017 was at 4.49 million metric tonnes, up by approximately 7 per cent year-on-year. Consumption of processed chicken meat has been rising between 15-20 per cent per annum. India's per capita consumption of poultry meat is estimated at around 3.6 kilograms per year. However, with rising middle-class incomes and expansion of fast food chains, consumption of chicken meat continues to rise.

India is the highest beef exporter in the world alongside Brazil with total meat production registering a growth of 8.74 per cent to 2.43 million tonnes between July and October FY2016-17, as against 2.24 million tonnes for the same period during FY2015-16. Nearly ~47.86 per cent of the meat produced came from poultry and 20.11 per cent from buffaloes. India's broiler production during 2017 is projected to increase by ~7 per cent to 4.5 million tonnes on the back of increasing demand from the growing middle class. Egg production in 2017 is forecast to reach 84 billion, up by 5 per cent. With increase in the population of the affluent class, the number of pet animals has also increased. India has vast resource of livestock and poultry, which play a vital role in improving the socio-economic conditions of the rural masses. (Source: Indo Asian Communities, DAHD)

Government Thrust

Livestock health and disease control: The Government of India is implementing a centrally-sponsored scheme called Livestock Health & Disease Control during the 12th Five Year Plan period at a cost of ₹ 3,114 crore.

Assistance to states for control of animal diseases: Under this component, assistance is provided to State Governments for the control of economically important and zoonotic diseases of livestock and poultry by immunising animals, strengthening existing veterinary production units and diagnostic laboratories, and holding training workshops for veterinarians and para- veterinarians. In the first phase, 23 BSL-II laboratories will be set up under the aegis of the World Bank and 32 ISO-certified and GLP- compliant ELISA laboratories will be established.

National project on Rinderpest surveillance and monitoring: Under the programme, State Governments are required to carry out physical surveillance through village, stock route and institutional searches to undertake surveillance of other diseases on a routine basis. Funds will be provided for strengthening veterinary services, surveillance of various diseases with a keen emphasis on Contagious Bovine Pleuro Pneumonia and Bovine Spongiform Encephalopathy, among others.

Professional efficiency development: The component envisages the establishment of a Veterinary Council of India and State Veterinary Councils in line with the tenets laid down under the Indian Veterinary Council Act, 1984. The Veterinary Council of India is mandated to impart training to veterinarians on the latest technical knowledge via continuing veterinary education programmes.

Foot and Mouth Disease control programme: To prevent economic losses due to Foot and Mouth Disease and develop herd immunity in cloven-footed animals, a location specific programme called Foot and Mouth Disease Control Programme is currently being implemented in 221 specified districts of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Maharashtra, Goa, Gujarat, Punjab, Haryana, Delhi, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep, Pondicherry and 16 districts in Uttar Pradesh (bifurcated to 20). The programme aims to vaccinate animals on a half-yearly basis, conduct mass awareness campaigns, identify target animals in the selected districts, carry out sero-monitoring of animals on a random basis, procure cold cabinets and FMD vaccines, assess

randomly collected samples of vaccines for quality, and record animal movements in unvaccinated areas through temporary check-posts, among others.

National animal disease reporting system: Networking of animal disease diagnostic laboratories and workflow software system aims to provide necessary ICT infrastructure, software and internet connectivity to animal disease diagnostic laboratories at state or district levels across India and train concerned officials for the dissemination of data related to samples received, test conducted, and results obtained.

Peste des Petits Ruminants control programme: The PPR infection causes huge losses in the rural economy, both in terms of morbidity and mortality in sheep and goats. This programme is now renamed as PPR Control Programme involves vaccination of all susceptible goats and sheep and their three subsequent generations (~30 per cent) in all the States including those covered in the first phase.

Establishment and strengthening of existing veterinary hospitals and dispensaries: The Government of India had initiated a programme for establishing new hospitals and dispensaries and strengthening of existing hospitals and dispensaries during 11th Five Year Plan period. Assuming the escalation cost of construction for new buildings of veterinary hospitals and dispensaries, a cost escalation up to 25 per cent on the original cost norms of construction without any change in the cost on equipment would be supported under the programme.

Brucellosis control programme: Brucellosis is a reproductive disease affecting livestock of zoonotic nature. Bovine brucellosis is endemic in almost all the States of India. This disease can be prevented by one-time vaccination of all eligible female calves. The Brucellosis control programme under the 12th Five Year Plan envisages vaccination of female calves between six to eight months across all states. Adult vaccination will also be taken up covering all unvaccinated female bovines in a phased manner during the 12th Five Year Plan period.

Classical Swine Fever control programme: Funds will be provided to the State Governments for vaccinating pigs in a phased manner starting with the North Eastern states. Depending on vaccine availability, the scope of the programme will be enlarged to cover the entire country.

Spotlight on Animal Health APIs

Based on a global study of five regions including North America, Latin America, Europe, Asia Pacific and the Middle East and Africa and key API type segments including Antiparasitics, Antiinfectives, NSAIDs & Anesthetics and other APIs like Anticancer, Gastroenteric, Cardiovascular, and Beta Agonists.

Introduction

Shifting pharmaceutical manufacturing base to developing countries makes good business sense due to lower cost of manufacturing, increasing FDI & government support. Asia Pacific region is specifically suited for facility upgradations due to less regulatory permissions while Brazil and Russian markets are conducive due to the government support to new pharma manufacturing facilities. Increasing infrastructure and healthcare facilities for animal healthcare are aiding the growth of the global animal health Active Pharmaceutical Ingredient (API) market.

Several mergers & acquisitions, partnerships, joint ventures, strategic alliances, and business deals are further strengthening the market and supporting growth. High experience of API manufacturing in developing markets has encouraged Western animal health market players to collaborate with Eastern players, thereby increasing growth opportunities in this sector. Along with internal capacity expansion, external manufacturing or outsourcing is an important component of the animal health API market. Having said that, the industry remains fragmented with few major players, thus boosting the outsourcing market. This provides an opportunity for investment in contract manufacturing. A fast growing animal health market has a positive impact on the overall animal health API market. Global animal population growth and focus on animal well-being support market demand. Increase in animal healthcare NGOs, rising pet adoption, productivity improvements, unmet medical needs and the like are factors creating growth opportunities in this sector.

Leading APIs

Antiparasitic animal health API has the highest market share and growth rate in the overall global market. This segment is anticipated to dominate the global animal health active pharmaceutical ingredient market in revenue terms in 2017, and the trend is projected to continue throughout the forecast period. The antiparasitic API type segment is expected to grow from more than US\$ 2,500 Mn in 2017 to over US\$ 3660 Mn by 2022 end. Anti-infectives API is expected to be the second largest market, with a market attractiveness index of 1.3.

Consumption pattern

API consumption patterns are different from production patterns over the globe, as Asia Pacific has the largest market size in producing animal APIs and North America has the highest consumption because of many big pharmaceutical companies present in the region along with a high demand for animal pharmaceuticals in the region.

Key Risks

A wide range of human drugs continues to be applied in the veterinary space without approved animal therapies. This is a huge threat to the overall animal healthcare pharmaceutical business. The animal health API market is highly fragmented, greatly affecting the overall business as in pricing regulations, stringency in rules and regulations, and monitoring difficulties. Further, illegal market threats like selling of APIs directly to animal owners for use as drugs adversely affect the whole value chain and the B2B API business.

A Macro Look at the Indian API Industry

Active pharmaceutical ingredients are manufactured from raw materials through both chemical and physical means. Depending on the complexity of the molecule required, synthesis of APIs might need multi-step complex chemistry utilizing a range of processing technologies.

Top API Manufacturers

The leading manufacturer of APIs today is TAPI (Teva Active Pharmaceutical Ingredients). Specializing in range of API-related fields, TAPI works in areas such as chemical synthesis, fermentation, chromatography, and plant extraction and now has the industry's largest portfolio of over 300 API products.

Dr. Reddy's is another leading manufacturer with 60 APIs for drug use, diagnostic kits and biotechnology products. Aurobindo and Cipla manufacture 200 APIs each, exporting their products to well over 200 countries worldwide. Other notable manufacturers are Sandoz-Lek-Biochemie, Ranbaxy, Matrix and Sun.

API Outsourcing

APIs are commonly referred to as 'bulk pharmaceuticals' and are in fact usually made in places at quite a distance to where tablets, suspensions and liquids are manufactured. Today, the greatest concentrations of API manufacturers are located around Asia, specifically in India and China. This has seen more companies outsourcing API manufacturing to such places, which has the main benefit of eliminating the need to invest in highly expensive equipment and infrastructure – which on top of everything can also be complicated to install and maintain. A good example can be found with AstraZeneca, who manufacture 85% of its APIs but are currently in the process of withdrawing from all API production in favour of outsourcing.

Regulations

Regardless of where the active pharmaceutical ingredient is made, companies must adhere to strict safety and quality standards set by the country where it will be used. So those APIs manufactured in China or India for use in the United States must still be inspected and licensed by the FDA. Similarly, if the API is intended for use in Europe, they would need to meet regulations set by the European Medicines Agency. Regular inspection outside the country of use however can prove difficult with counterfeiting and contamination being high on the list of various agencies' concerns. For instance, since 2008, the FDA has considerably increased its overseas staff as a way of attempting to eliminate these problems. As a result, countries such as India have gained their foothold in the global market and now have around 75 FDA-approved manufacturing facilities for API synthesis.

Green Initiatives

Today there's a clarion call for API manufacturers to go green – that is to say, to reduce the waste they produce. Every year, large pharmaceutical manufacturers can produce anywhere from 3000 to 5000 tons of hazardous waste each. If one were to ask any reputable API manufacturer how they would like to improve the process, they'd likely say to make the reactions faster, or to make them cheaper. Ironically the first steps in reducing waste from API synthesis would be to reduce the number of reactions required to produce a given molecule. Therefore, though the goal may be different, the means turn out to be the same as fewer reactions mean less solvent to dispose of. Another step in going green is to find different solvents and catalysts that are not only more efficient but also better for the environment.

The Road Ahead

Major API manufacturers such as Merck, AstraZeneca and GlaxoSmithKline are moving away from multifunctional plants and instead opting for specific activities at specific sites. In this way, there are serious concerns as to how any centralized control could function as after all an API manufactured by one company, in one country, with the excipient manufactured in another by a different company, then packaged and distributed by another company altogether makes the route rather difficult to monitor or control. There is also increased focus on the development of High Potency Active Pharmaceutical Ingredient (HPAPI). In order to keep abreast with the changes, API manufacturers are using various novel technologies to reduce the processing time as well as to yield more production. The HPAPI compounds are highly effective due to the targeted therapy. Hence, its application for cancers is a major driver. The market of North America is the largest and accounts for major share followed by Europe. At the same time Asia is growing at a higher CAGR compared to North America & Europe. The current growth in new medical technologies is spurring the demand for APIs worldwide today especially with the increased importation of raw pharmaceutical ingredients from emerging markets. According to Boehringer Ingelheim, countries such as India and China, which now supply over 40% of APIs used in the U.S. will double that figure to a whopping 80% in a decade's time. (Source: Transparency Market Research)

Indian Pharma: A Ready Reckoner

With health care delivery bursting at the seams of new possibilities of measurable value in terms of desired patient outcomes rather than mere drug administration, India has the scope and size to move up the value chain of innovation credibly and consistently.

Opportunities abound in various forms and triggered by various reasons. For instance, the UN- backed Medicines Patent Pool has signed six sub-licences with Aurobindo Pharma, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, for manufacture and delivery of the generic anti- AIDS drug TenofovirAlafenamide (TAF) to as many as 112 developing countries. Another rich prospect for Indian drug makers is Japan's growing generic market which is all set to explode given the significantly large ageing population and sky rocketing medical costs.

The horizon is ripe with rich possibilities. On the one hand, the government is trying to usher in a new wave of inclusive measures to provide quality life-saving medical support to the lowest echelons of India's populace. On the other, Indian consumers – with more disposable incomes and better awareness on lifestyle maladies and chronic ailments - are upping their expectations from value-added healthcare rooted in innovation. The governmental thrust on inclusive health programmes, lifesaving drugs and preventive vaccines is now more than evident in the different initiatives across different areas of health care.

The Indian Pharmaceutical Association is preparing data integrity guidelines to benchmark the quality of Indian companies' vis-à-vis global players. The Government also plans to incentivise bulk drug manufacturers to cut the imports of active pharmaceutical ingredients, which is clearly a China-dominated space. The Department of Pharmaceuticals has proposed a venture capital fund of Rs 1,000 crore to support R & D start-ups in pharma and biotech. The Fertiliser and Chemicals ministry plans to build six pharmaceutical parks for drug testing and imparting training to industry professionals.

Given the fresh impetus, India's value prop as a low-cost hub commanding a potent pool of qualified professionals has now become more relevant to the West than ever before. Overseas players are looking to boost their R & D forays in a cost-effective manner and hence looking at India not merely as a popular contract manufacturing hub but a productive R & D nucleus for undertaking discovery research and clinical trials.

India Pharma – Evolution

1970 – 1990

- Indian Patent Act passed in 1970
- Several domestic companies start operations
- Development of production infrastructure
- Export initiatives taken 1990 – 2010
- Liberalised market
- Indian companies increasingly launch operations in foreign countries
- India a major destination for generic drug manufacturing
- Approval of Patents (Amendment) Act 2005, which led to adoption of product patents in India

2010

- Increased patent filings by pharma players
- Likely adoption of newer sales models such as channel management, KAM and CSO
- The National Pharmaceutical Pricing Policy, 2012 (NPPP-2012) 2010- 2015

2013

- New Drug Pricing Control Order issued by Directorate of Food and Drugs, reducing prices of drugs by 80 per cent

2014

- 100 per cent FDI allowed in medical device industry. The investment will be routed through automatic route
- Leading Indian pharma companies are raising funds aggressively to fund acquisition in domestic as well as international market to increase their product portfolios

2015

- India has 10,500 manufacturing units and over 3,000 pharma companies
- National Health Policy Draft 2015 to increase expenditure in health care sector
- Patent Act Amendment 2015, it includes amendments in Patent Act 2002 2016 and beyond
- In Union Budget, 2016, FDI increased to 74 per cent in existing pharmaceutical companies
- 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 reduced to boost investments.

India Pharma – Market Overview

Key Segments

Active Pharmaceutical Ingredients (APIs)

- India became the third largest global generic API merchant market in 2016, with a 7.2 per cent market share
- The Indian pharmaceutical industry accounts for the 2nd 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 US\$ 18 billion in 2018 and expected to witness a strong growth at a CAGR of 18-20 per cent between 2013-18

Formulations

- Largest exporter of formulations in terms of volume, with 14 per cent market share and 12th in terms of export value. Drug formulation* exports from India reached US\$ 9.57 billion during April – December 2017.
- Domestic market size currently valued at US\$ 11.2 billion
- Double-digit growth expected over the next five years Biosimilars
- The government plans to allocate US\$ 70 million for local players to develop Biosimilars.
- The domestic market is expected to reach US\$ 40 billion by 2030

India Pharma - Value Proposition

Cost advantage:

Low cost of production and R&D boosts efficiency of Indian pharma companies India's cost of production is approximately 33 per cent lower than that of the US. Due to lower cost of treatment, India is emerging as a leading destination for medical tourism. India's ability to manufacture high quality, low priced medicines, presents a huge business opportunity for the domestic industry

Economic boost

- Improved drug affordability
- Increasing penetration of health insurance
- With increasing penetration of pharmacies, especially in rural India, OTC drugs will be readily available

Portfolio Spread

- 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
- More than half of all 345 drug master filings (DMFs) in the USA in Q4 2016 and Q1 2017 were from India

Policy Support

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

Indian Pharma – Key Facts

- Indian pharmaceutical sector is estimated to account for 3.1 – 3.6 per cent (as of 2016) of the global pharmaceutical industry in value terms and 10 per cent in volume terms. It is expected to grow to US\$100 billion by 2025.
- India accounts for 20 per cent of global exports in generics. India's pharmaceutical exports stood at US\$ 16.84 billion in 2016-17 and are expected to reach US\$ 20 billion by 2020. During April – November 2017, India exported pharmaceutical products worth Rs. 549.56 billion (US\$8.49 billion).
- The country's pharmaceutical industry is expected to expand at a CAGR of 12.89 per cent over 2015–20 to reach US\$ 55 billion. India is the second largest contributor of global biotech and pharmaceutical workforce.
- Indian healthcare sector, one of the fastest growing sectors, is expected to cross US\$ 372 billion by 2022.

- The generics market stood at US\$ 26.1 billion in 2016. India's generics market has immense potential for growth. Indian pharmaceutical companies received record 300 generic drug approvals in USA during 2017 where the generic market is expected to reach US\$ 88 billion by 2021.
- By 2024-25, India's biotech industry is estimated to increase to US\$ 100 billion from US\$ 11 billion in FY 2015-16.

India Pharma – Key Threats

Low risk

- Threat of substitute products is low; however, homeopathy and Ayurvedic medicines are viable alternatives.

Neutral Risk

- Complex APIs such as steroids, sex hormones and peptides give bargaining power to suppliers. However, generic APIs don't yield much of that power.
- Strict government regulations thwart entry of new players.
- Survival for new players is difficult due to high gestation period High Risk
- Growth opportunities for pharma companies are expected to grow in next few years, with many drugs going off-patent in the US and other countries, thus increasing competition
- Indian pharma companies will face competition from big companies, backed by huge financial muscle
- Generic drugs offer a cost-effective alternative to drugs innovators and significant savings to customers, boosting their bargaining power
- Biosimilars offer significant cost saving for insurance companies in India

OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us, our Restated Financial Information, including the notes thereto, in the chapters “Risk Factors”, “Industry Overview”, “Financial Statements”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on pages 16, 84, 163 and 211 of this Draft Letter of Offer respectively.

Overview

We are an R&D focused, vertically integrated pharmaceuticals company engaged in the development and manufacturing of active pharmaceutical ingredients (“APIs”) primarily used for veterinary health care. As of September 30, 2018, we have a diverse mix of more than 13 niche anthelmintics i.e., veterinary API products, including Piperazines, Benzimidazole, Heterocyclics etc. We sell APIs to customers in domestic and various international markets including China, Germany, and Egypt. We have the capabilities to develop and manufacture products with multi-step synthesis which may comprise of semi synthetic fusion technologies, high-potency APIs and peptide chemistry. As of September 30, 2018, we have filed 10 active Drug Master Files (“DMFs”) with the United States Food and Drug Administration for our API products in therapeutic areas such as anthelmintic, disinfective, phosphorous supplement, anti-protozoal etc. Our top five revenue generating products are Albendazole, Fenbendazole, Halquinol, Nitroxylin and Povidone Iodine.

Our Company has a fully backward integrated API manufacturing model, which aids in lowering product costs. We also place a great deal of focus on use of catalysts in the API manufacturing process which has helped us increase our gross profit margins.

Our Company was incorporated in Mumbai, Maharashtra, India as a public limited company on March 11, 2016, under the name of Lasa Supergenerics Limited. Pursuant to a Scheme of Arrangement between Omkar Speciality Chemicals Limited and Lasa Supergenerics Limited and their respective shareholders, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited and Dosh Chemicals Limited were amalgamated with Omkar Speciality Chemicals Limited and the Veterinary API undertaking of Speciality Chemicals Limited was vested in our Company with effect from May 2, 2017. For further information on Scheme of Arrangement, see “History and Certain Corporate Matters” beginning on page 131 of this Draft Letter of Offer.

Our product portfolio comprised of 13 products as of September 30, 2018 and is primarily focused on APIs. We have developed capabilities in the commercialization of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects. We have strong sales, marketing and distribution capabilities in India with dedicated sales divisions focused on developing and growing our engagement with specialists and super specialists.

Our business operations are supported by modern manufacturing facilities located in India. We have 4 facilities with a total reactor capacity of 1,000 KL located at Mahad and Chiplun, Maharashtra, engaged in the manufacture of APIs, out of which one unit is FDA approved and WHO c-GMP certified. Our facilities are primarily engaged in the manufacture of Albendazole which is an API used in the animal health products. We believe that our experience in animal health segment, our dedicated manufacturing facilities and our growing product portfolio would enable us to capitalise on the growth in the animal health segment in India as well as globally.

In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations, and has substantial experience in pharmaceutical sales and marketing. Our R&D efforts are primarily focused across the value chain of generics development for API process development. We have a team of 20 persons working at our R&D facility in Mahad. We have in the past built a comprehensive portfolio of animal health APIs based on our research and development activities, and boast of a substantial customer base for each of our products.

Our total expenditure on R&D was ₹ 208.15 lakhs constituting 0.95% of total revenue, ₹ 1231.37 lakhs constituting 4.94% of total revenue and ₹ 9.00 lakhs constituting 0.27% of total revenue for Fiscal 2017, Fiscal 2018 and period ended on June 30, 2018 respectively. We have also applied for 6 process patents worldwide and the same are pending before the Office of the Controller General of Patents, Designs & Trade Marks (“CGPDTM”).

For Fiscals 2016, 2017, 2018 and period ended on June 30, 2018, our revenue from operations was ₹ 16,906.53 lakhs, ₹ 21,822.92, ₹ 24,583.88 lakhs and ₹ 3292.06 lakhs respectively, while our profit after tax was ₹ (257.67) lakhs, ₹ 234.59, ₹ 1203.39 lakhs and ₹ (188.08) lakhs respectively. For Fiscals 2016, 2017, 2018 and period ended on June 30, 2018, our EBITDA was ₹ 1768.59 lakhs, ₹ 2150.87 lakhs, ₹ 4474.34 lakhs and ₹ 623.46 lakhs respectively.

Our strengths

The following are our key strengths which we believe enable us to be competitive in our business:

Focused approach to product selection targeting high-barrier-to-entry products

Our product portfolio is predominantly focused on high-barrier-to-entry products that are either difficult to formulate or manufacture. We believe we have a differentiated business model among Indian pharmaceutical companies due to our focus on a range of complex products and drugs. As of September 30, 2018, our portfolio includes 65 approvals, including tentative approvals, and one of our key product launches within the last twelve months, is the product Ornidazole.

Our Company focuses on creation of entry barriers in order to improve our customer base and enhance our business and our presence in the global markets. Our API manufacturing model, which is fully backward integrated, involves using basic petrochemical derivatives to APIs. Our backward integrated model significantly reduces our dependency on intermediaries in the supply chain.

Further, our manufacturing process involves reliance on catalysts chemistry for the benefits yielded in the reactions which are employed to manufacture our products.

The following are some of the many benefits or effective utilization of catalyst chemistry in the reactions:

- Reduction in the time cycle;
- Increase in productivity;
- Decrease in labour costs;
- Reduction in cost of electricity and coal;
- Reduction in cost of raw materials;
- Increase in gross profit margins;
- Less dependency on import of raw materials; and
- Significant reduction in by-products and effluent discharge.

We have filed six process patents for the efficient processes we employ, which restrain our competitors from availing the benefits of these efficient processes. Thus, through backward integration and the process patents for our catalyst backed products, we create entry barriers and also significantly reduce our product cost.

We have adopted a vertically integrated business model with manufacturing, marketing, distribution and R&D capabilities related to APIs. Our integrated business model ranging from petrochemical to APIs allows us to reduce dependency on third parties thereby reducing risk of unfavorable terms of supply such as high pricing and long lead time for delivery. It also enables us to strengthen our position with respect to cost effective manufacturing. This business model has also enabled us to consistently improve our manufacturing cost-efficiencies and the turnaround time for customer orders. We have leveraged our large production capacities and our integrated operations to develop a strong business by producing quality formulations at competitive prices.

Manufacturing facilities with focus on quality assurance

We operate 4 facilities engaged in manufacturing of APIs in India. Our API products are manufactured at one facility at Mahad and three at Chiplun, Maharashtra. In order to serve our domestic and export markets, we have developed an infrastructure of formulations and API manufacturing facilities which have been built in accordance with the WHO current good manufacturing practice (“cGMP”) guidelines. All our manufacturing facilities have been approved by

the Food and Drugs Administration. Each of our manufacturing facilities have separate quality control units to monitor the quality of our products. For further details, see “*Business – Manufacturing Process*” on page 114 of this Draft Letter of Offer.

All our manufacturing facilities have the capability to manufacture small to large volume products providing us the flexibility to meet varying customer requirements. Further, since the pharmaceuticals business operates in a highly regulated environment, we have implemented a well-defined quality management system at our manufacturing facilities which cover all areas of our business processes from supply chain to product delivery. Additionally, all activities which can have a direct or indirect impact on the quality of the products are controlled through standard operating procedures. We believe that our vertically integrated manufacturing facilities have helped our Company in moving up the value chain while enabling us to control production costs and reduce third party dependency, which in turn helps us to develop relationships with our customers.

We believe quality is a key differentiator in our business and have adopted uniform manufacturing standards across all our facilities to achieve standardized product quality for all our markets. We have in the past, leveraged our existing relationship with our customers to extend our product offerings to a particular customer as well as increase our product offerings to them in other geographies. We believe that our manufacturing facilities, quality assurance procedures and adherence to environment, health and safety standards have allowed us to strengthen our relationships with our customers and ensure that our product offerings keep pace with our client requirements.

Comprehensive product offering and strong research and development capabilities

We have a portfolio of 13 products in the animal health API segment along with a pipeline of 12 products. Further, we have filed DMFs for 8 of our APIs in addition to EDMF filing for 2 APIs. Additionally, our Company has also filed 2 CEP Applications with the European Directorate for the Quality of Medicines, having successfully cleared the EU Audit, paving the way for business from domestic players which export formulations to the European market.

Our research and development, and Quality Assurance and Quality Control centers are located at Mahad and Chiplun and are an integral part of our operations. The key objectives of our R&D initiatives are the development of new products, process research, commercial scale-up; developing New Drug Delivery Systems (“**NDDS**”) for the existing products in order to augment the product benefits, developing formulations so that these can be manufactured in-house in order to ensure better quality control & cost savings, development of processes using green technology to minimize wastage and ensure environment friendliness and development of analytical methods, documentation and patent registrations. The developments and advances made by the research and development team are some of our key strengths and have enabled us to develop a healthy product pipeline.

Experienced Management Team

We are led by a qualified and experienced management team which we believe has the expertise and vision to grow our business. We have been able to attract and retain senior and middle-management executives from top tier organizations. We believe that the knowledge and experience of our senior and our middle-level management provides us with a significant competitive advantage as we seek to expand our business in existing markets and enter new geographic markets. Our Managing Director, Omkar Herlekar has more than one decade of experience across business and technical functions, and is the Promoter of the Company.

We believe that we will be able to continue to capitalize on the pharmaceuticals domain knowledge, professional management skills, operating experience and execution capability of our senior management provides as we seek to successfully implement our growth strategies, including expanding in our existing markets and entering new geographic markets.

Our Strategies

Our business objective is to grow our business, increase our revenues and profits through focus on creation of entry-barriers and utilizing our business model to increase our market presence. We intend to do so by increasing our product offerings through strategic business arrangements as well as by maintaining our focus on our business. Our business strategy focuses on the following elements:

Continue to build R&D capabilities to create a differentiated portfolio

We intend to continue our focus on limited competition legacy products as well as growing our presence in domains where we are currently present. We use basic petrochemical derivatives to develop basic organic molecule, basic intermediate to advanced intermediate, N-1 to API products. In order to complement our drug development programs, we will continue to explore product-focused license acquisition opportunities for third-party proprietary products, particularly for products that are complementary to our existing product portfolio, and where we can effectively employ our sales and distribution network and manufacturing capabilities towards successfully commercializing those products.

We intend to continue our focus on to increase our portfolio of differentiated products as well as expanding our presence in segments where we are currently present. We believe the continued expansion of our product portfolio will enable us to achieve significant operational efficiencies that will drive our profitability. We also believe an expanded portfolio will enable us to better utilize our production capacity and increase returns on our investment in our production facilities.

No Product Dependency

We believe that we have emerged as the leader in ‘catalyst Chemistry’. The advanced knowledge and research of catalyst chemistry we possess, and application thereof in our manufacturing facilities yields several benefits for our products and for our business.

Our Company has a diverse mix of over 13 niche anthelmintics. The company’s top 7 products, which are Albendazole, Fenbendazole, Nitroxylin, Oxfendazole, Toldimphos Sodium, Providon Iodine and Halquinol contribute to 80% its top-line. With a global footprint spread across 27 developed countries, our Company has a total of over 350 domestic & global customers in its products, and enjoys about 35% market share in the Indian veterinary healthcare industry.

To upgrade and expand manufacturing facilities for increase in capacities

We continue to upgrade and expand the manufacturing capabilities of our facilities. All our manufacturing facilities operate under stringent manufacturing and quality control procedures. We continuously modernize and upgrade manufacturing facilities to meet evolving industry standards to assure products of high quality and standards. We continue to focus on improving cost efficiencies and productivity by continually improving and upgrading processes to meet the needs of the complex nature of the manufacture, storage and marketing of these products.

Leverage relationship with leading global pharmaceutical companies in the animal health segment, most of whom are our existing customers in animal health API business

We intend to grow our animal health API business by leveraging our established relationship with global pharmaceutical companies by increasing the range of animal health API products which we supply to them and the geographies in which we supply such products to them. This is in turn is backed by our strong research and development which is currently striving towards expanding our product range in the animal health segment.

We believe that our growth in international markets will result from the growing demand for pharmaceuticals, access to affordable high - quality medicine and new product opportunities. Our manufacturing facilities complying with international standard will help us to increase our international business. Our broad strategic initiatives for international markets include offering a wide product portfolio with a well-established product pipeline to support the growth in our existing markets, developing a broader market penetration strategy, territory-specific marketing and establishing our presence in developed markets such as Europe.

Cost competitiveness and high quality of products

We believe that we are cost competitive owing to our integration and competent in-house manufacturing processes as an integrated pharmaceutical company. Due to benefits from a cost effective pool of talent for our R&D activities,

efficient supply chain management of raw materials, outflow of finished goods and management of working capital via the vertical integration of our business and due to the economics of scale, we believe we can be successful in all areas of our operations. The high quality, efficiency and complexity of our manufacturing processes, products and services also pose a substantial competitive barrier for our competitors.

Description of our Business

We market the APIs manufactured at our facilities to domestic and international markets. Our animal health API business offers a wide range of products, predominantly in the anthelmintics segment. In the recent past, we have made significant investments in research and development and have recently launched our latest product, Ornidazole. We have additional 3 new products currently under development.

We manufacture and export our animal health API products from our manufacturing facilities at Mahad and Chiplun, Maharashtra.

All drugs are made up of two core components: the API, which is the central ingredient, and the excipient, the substance inside the drug that helps deliver the medication to your system. Excipients are chemically inactive substances, such as mineral oil. The following table summarizes the key animal health API products which we sell in certain of our key markets:

Sr. No.	API	Therapeutic Category	Description	Certifications
1.	Fenbendazole	Anti-helminthic	It is used in the treatment & control of fluke infections of the digestive system caused by roundworms, tapeworms, hookworms, lungworms which are generally found in Cats, Sheeps, Goats, Pet birds, Pigeons. Hence this drug is an effective de-wormer in animals.	• DMF Application filed.
2.	Toldimphos sodium	Anti-helminthic, Medicinal drug	It is mainly used as one of the ingredients along with Vitamin B12 to treat nutritional deficiencies of Calcium and Phosphorous in animals like cattle and dogs. It is an animal health care product to enhance milk production capacity and fertility in Animals.	• DMF Application filed.
3.	Cyromazine	Insecticide	Cyromazine acts as an effective antiparasitic agent for Veterinary use to control diseases like Scabies, Pediculosis etc. These diseases are called as Ectoparasitic diseases which need an effective Ectoparasiticide that is an anti-ectoparasitic like Cyromazine that attacks parasites like ticks, leeches which live on the surface of the animal and suck their blood. Hence it is used to control the growth of such insects on the animals.	• DMF Application filed.
4.	Albendazole	Anti-helminthic	Albendazole is an Anthelmintic drug used in the treatment of fluke infections of the digestive system caused by roundworms, tapeworms, in domestic animals due to the presence of Parasitic flatworms called as Trematodes. It controls & destroys these worms, to act as an effective de-wormer to prevent their growth, production and their destruction.	• DMF Application filed.
5.	Triclabendazole	Anthelmintic flukicide	Triclabendazole is very effective drug (for veterinary use), for the treatment of diseases known as Fascioliasis which is found in domestic animals eg. Sheep, Cattle, goats. Fascioliasis is caused due to the presence of 2 species Fasciolahepatica & F gigantic of parasitic flat worms which severely attack the liver leading to severe damage of liver.	-

Sr. No.	API	Therapeutic Category	Description	Certifications
			Triclabendazole hence is an effective veterinary medicine against liver fluke diseases in sheep, cattle, and goats. However it should not be used for dogs, cats, pigs or poultry.	
6.	Ricobendazole	Anti-helminthic	Ricobendazole is very effective in controlling The Gastro intestinal infections caused by round worms and respiratory round worms in sheeps, goats and cattles. However it should not be used for dogs, cats and pets.	<ul style="list-style-type: none"> DMF Application filed.
7.	Oxfendazole	Anti-helminthic	Oxfendazole is very effective medicine in controlling round worms, and tape worms present in cattles, sheeps, goats. It is also effective in controlling the Gastro intestinal, respiratory infections caused by round worms.	<ul style="list-style-type: none"> DMF Application filed.
8.	Closantel Base	Anti-helminthic	Closantel is very effective against gastro intestinal nematodes like pin worms, round worms, hook worms generally found in sheep, cattle, horse, pigs, and dogs and hence is an effective de -wormer.	<ul style="list-style-type: none"> DMF Application filed.
9.	Nitroxynil	Anti-helminthic	Nitroxynil is very effective against parasitic flat worms causing the liver damage in cattle and sheep. It is practically insoluble in water, but sparingly soluble in ether and Slightly soluble in Ethanol.	<ul style="list-style-type: none"> DMF Application filed.
10.	Rafoxanide	Antiparasitic agents	Rafoxanide, is an effective anti parasitic drug (for veterinary use only), in the treatment and control of Liver flukes, gastrointestinal round worms in Sheep, Cattle, goats. Its anti-parasitic action not only kills the parasite, but it prevents its infestation. However this drug should not be used for livestock, dogs, cats.	-
11.	Halquinol	Antimicrobial	<p>It is recognized as one of the most approved non antibiotic, antimicrobial agent and also as an excellent growth promoter for broilers. It is this mode of action that makes it active against protozoal organisms, gram positive and gram negative bacterial infections in animals. It is more superior over others due to the fact that it eliminates the chances of any residual tissue since it does not allow itself to be absorbed in the circulation system.</p> <p>The strong antimicrobial action of Halquinol makes it a very effective veterinary medicine against E.Coli, & Salmonella bacterium infections. Being an excellent growth promoter for broilers and animals, it is used as an additive in the poultry / animal feed.</p>	<ul style="list-style-type: none"> We have filed a process patent for the simple, safe and cost effective process for the preparation of Halquinol product DMF Application filed.
12.	Ornidazole	Antibiotic used to treat certain protozoan infections	Ornidazole works efficaciously against Metritis, Endometritis, uterus related diseases in Cattles, Sheeps, Goats, Buffaloes, Camel. Animals are exposed to these diseases due to bacterial infections caused by Anaerobic bacteria such as Prevotella species and viruses resulting into inflammation of the wall of uterus resulting into its enlargement.	-
13.	Oxyclozanide	Salicylanilide Anthelmintic	Oxyclozanide is an effective anti parasitic drug (for veterinary use only), in the treatment and control of	-

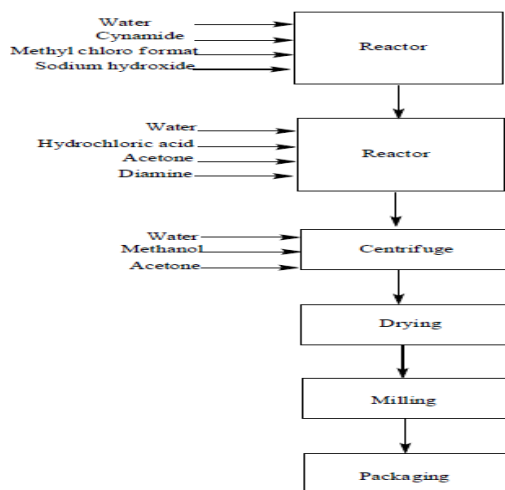
Sr. No.	API	Therapeutic Category	Description	Certifications
			the disease Fascioliasis in Sheep, Cattle, goats. Oxyclozanide's anti parasitic action not only kills the parasite, but it prevents its infestation. However this drug should not be used for dogs, cats.	

Our products

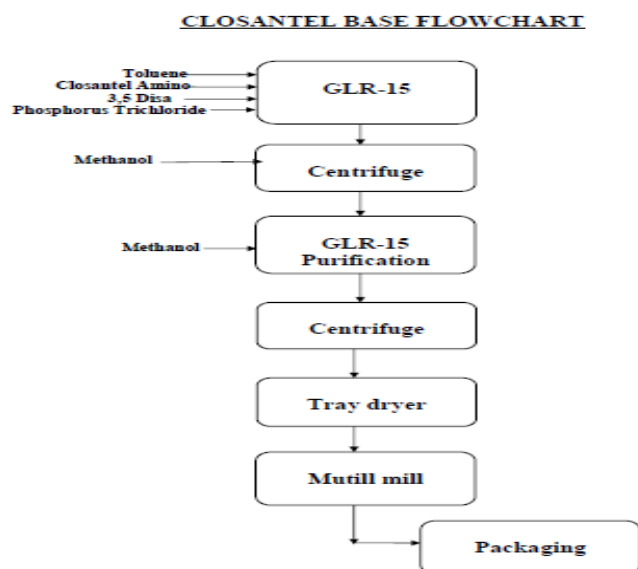
Sr. No.	Product	Approvals
1.	Fenbendazole	Food and Drugs Administration, Maharashtra.
2.	Rafoxanide	
3.	Closantel Base	
4.	Toldimphos sodium	
5.	Ornidazole	
6.	Closantel sodium	
7.	Cyromazine	
8.	2,6-Diiodo-4-nitrophenol	
9.	Nitroxynil	
10.	Albendazole	
11.	Ricobendazole	
12.	Halquinol	
13.	Triclabendazole	
14.	Oxfendazole	
15.	Oxyclozanide	

Manufacturing Process/ Flow Chart of our Key Products:

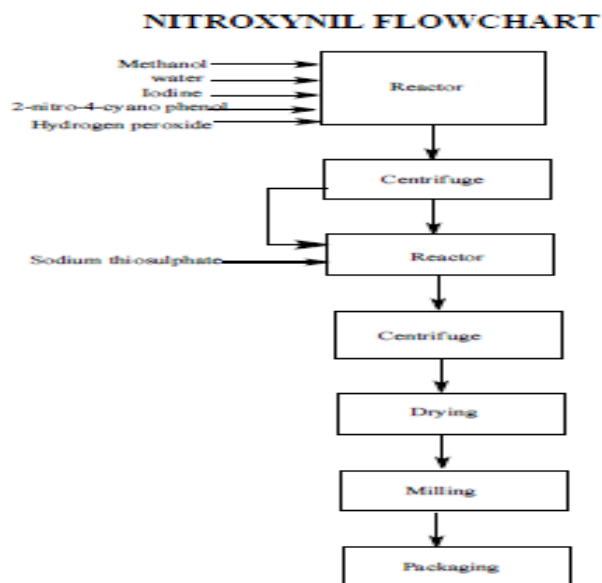
1. Flow Chart of Albendazole



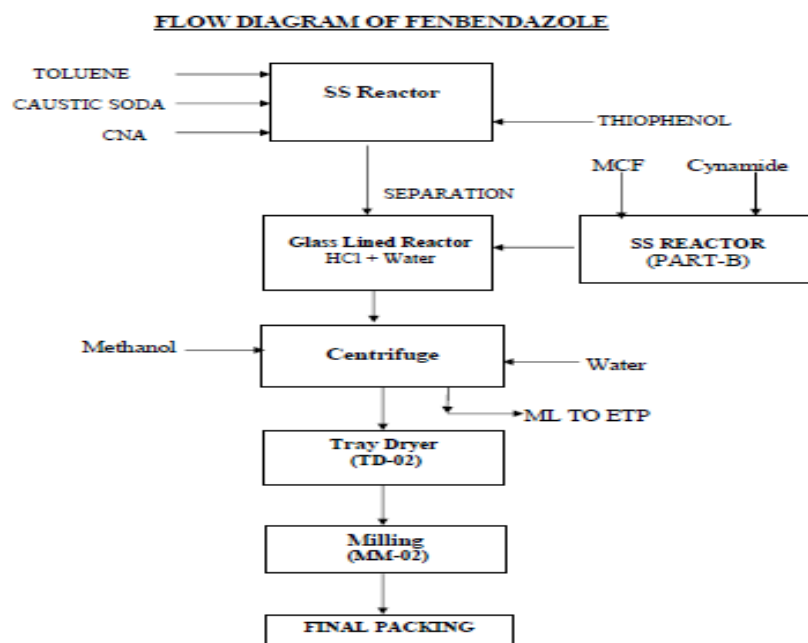
2. Flow Chart of Closantel



3. Flow Chart of Nitroxylnil

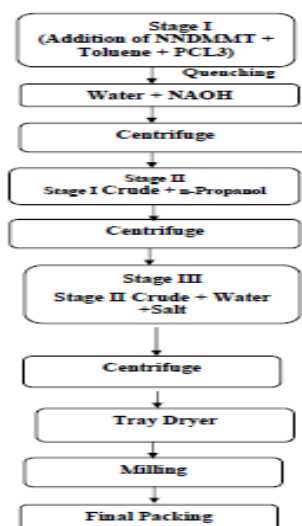


4. Flow Chart of Fenbendazole



5. Flow Chart of Toldimphos Sodium

FLOW DIAGRAM OF TOLDIMPHOS SODIUM



Research and Development

Our in-house research and development capabilities are the cornerstone of our operations and continued growth. We have dedicated research and development facilities at Mahad. As of September 30, 2018, our research and development facilities houses 1 scientist operating out of a state of art laboratory. Our research and development team has expertise in benzimidazole chemistry and heterocyclic chemistry.

Client Base

Our Company has a well-diversified customer base. We have consistent retention of key customer segments all over India. Our ten largest customers represented around 18.00 % and 25.00% of our net sales in Fiscals 2017 and 2018 respectively.

Regional Sales

Particulars	FY 2017-18		FY 2016-17	
	Amount (₹ in lakhs)	% of Revenues	Amount (₹ in lakhs)	% of Revenues
Northern	2,411.34	10.00%	2,118.07	10.00%
Eastern	1,205.67	5.00%	1,059.03	5.00%
Western	16,879.38	70.00%	14,826.55	70.00%
Southern	3,617.01	15.00%	3,177.11	15.00%
Overall	24,113.40	100.00%	21,180.76	100%

Manufacturing

Whilst a large portion of our manufacturing activities are undertaken in our manufacturing facilities situated in India, we also enter into manufacturing agreements with third parties to manufacture APIs. In certain cases, we provide the

raw materials required for such manufacturing. In other cases, it is the responsibility of the third party manufactures to arrange for the raw materials and manufacture the finished products for delivery to us. Further, we also undertake manufacturing on behalf of other pharmaceutical companies for their products.

As far as the manufacture of our own products is concerned, our aim is to provide our customers with products of the highest quality for which regulatory approvals are obtained in a timely manner. It involves a combination of demand planning, procurement, supply chain and production. Production processes include reaction, quenching or extraction, filtration then layer separation, distillation, centrifugation, and drying, milling, sieving and blending. For finer particle size milling, compaction or micronizing is carried out. This is followed by cleaning and blending for powder products. Efficient manufacturing, solvent recycling, operational efficiencies, cost effective measures ensure high product deliveries for our products. All our manufacturing facilities have the flexibility to manufacture large volume products as well as specific molecules based on the specific requirements of the customers.

Following are the details of our manufacturing units:

Name of facilities	Address	Products manufactured	Dosage form manufactured	Major Approvals
Unit I	Plot no. C-105 and C-105/1, Mahad Industrial Area, M.I.D.C., Village Khajre Airwandi, Sub Dist- Mahad-402 309, Dist: Raigad, Maharashtra.	<ul style="list-style-type: none"> • Albendazole; • Fenbendazole; • Nitroxynil; • Oxfendazole; • Ricobendazole; • Toldimphos Sodium; • Halquinol; • Cyromazine; • Povidone Iodine; • Rafoxanide; • Ornidazole; • Closantel Base; • Closantel Sodium dihydrate; • Cetylpyridinium chloride. 	Powder form	<ul style="list-style-type: none"> • License to manufacture for sale of drugs other than those specified in Schedule X issued by the Govt. of Maharashtra Food and Drugs Administration. • GMP Certificate issued by the Maharashtra Food and Drugs Administration. • Certificate of Import-Export Code (IEC) issued by the Office of Additional Director General of Foreign Trade Ministry of Commerce and Industry. • Consent to operate issued by the Maharashtra Pollution Control Board • Certificate of ISO 9001-2015.
Unit II	Plot no. C-4 and C-1, C-43, Lote Parshuram Industrial area, Taluka Khed, Dist: Ratnagiri, Maharashtra.	<ul style="list-style-type: none"> • Albendazole • Nitroxynil • Ricobendazole • Oxfendazole • Cyromazine 	Powder form	<ul style="list-style-type: none"> • Plan Approval issued by the Directorate of Industrial Safety and Health • Consent to operate from Maharashtra Pollution Control

Name of facilities	Address	Products manufactured	Dosage form manufactured	Major Approvals
				<p>Board Regional Office, Kolhapur</p> <ul style="list-style-type: none"> • Letter for load sanction of fresh HT power supply. • Certificate of registered member of CHW-TSDF at MIDC, Taloja for safe and secure disposal of hazardous waste. • Udhog Aadhar Memorandum issued by the Ministry of Micro, Small and Medium Enterprises.
Unit III	B-15 / B-16 Lote Parshuram Industrial area, Taluka Khed, Dist: Ratnagiri, Maharashtra.	<ul style="list-style-type: none"> • Albendazole; Chloro Nitro Aniline; • Propyl Bromide. 	Powder form	<ul style="list-style-type: none"> • Consent to operate from Maharashtra Pollution Control Board Regional Office, Kolhapur • Letter from Maharashtra State Electricity Distribution for additional fresh HT power supply. • Letter from RAMKY Group – Mumbai Waste Management Limited for confirmation of membership.
Unit IV*	D 27/5 Lote Parshuram Industrial area, Taluka Khed, Dist: Ratnagiri, Maharashtra.	<ul style="list-style-type: none"> • Di Chloro Phenol 	N/A	<ul style="list-style-type: none"> • Consent to Establish from the Maharashtra Pollution Control Board Regional Office, Kolhapur • NOC for permanent additional electric load sanction issued by Maharashtra Industrial Development Corporation. • Letter from Maharashtra State Electricity Distribution for additional fresh HT power supply.

**Only trial production has begun at Unit IV.*

Production Capacity and Capacity Utilization

The following tables set forth the production capacity of our manufacturing facilities:

Unit 1 - Plot no. C-105 and C-105/1, Mahad Industrial Area, M.I.D.C., Village Khajre Airwandi, Sub Dist- Mahad-402 309, Dist: Raigad, Maharashtra.

Particular	Unit Production in metric tone	Existing		
		2016	2017	2018
Total Production Capacity	MT	500	750	900
Capacity Utilization	MT	450	650	700
Capacity Utilization in %		90.00%	86.67%	77.78%

Unit 2: Plot no. C-4 and C-/1, C-43, Lote Parshuram Industrial area, Taluka Khed, Dist: Ratnagiri, Maharashtra.

Particular	Unit Production in metric tone	Existing		
		2016	2017	2018
Total Production Capacity	MT	800	1,100	1,400
Capacity Utilization	MT	700	900	1,100
Capacity Utilization in %		87.50%	81.82%	78.57%

Unit 3: B-15 / B-16 Lote Parshuram Industrial area, Taluka Khed, District: Ratnagiri, Maharashtra.

Particular	Unit Production in metric tone	Existing		
		2016	2017	2018
Total Production Capacity	MT	800	900	1,100
Capacity Utilization	MT	700	800	950
Capacity Utilization in %		87.50%	88.89%	86.36%

Unit 4: D 27/5 Lote Parshuram Industrial area, Taluka Khed, District: Ratnagiri, Maharashtra

Particular	Unit Production in metric tone	Existing		
		2016	2017	2018
Total Production Capacity	MT	-	-	4,300
Capacity Utilization	MT	-	-	100*
Capacity Utilization in %		-	-	2.33%

**Only trial productions have started in Unit 4.*

Raw Materials

Our raw materials for our API business are sourced from local suppliers in India as well as from China. We do not have any long term contracts with any of our suppliers.

Power and Water Supply

We have arrangements for regular power and water supply at our factory premises. The total existing power requirement of our Company is around 1033 KVA. The requirement of power is met by supply from Maharashtra State Electricity Distribution Co. Limited (MSEDCL). In addition, we have installed a total of 2 DG sets of 500 KVA and 250KVA for providing standby power backup.

Our Company's current water requirement for process requirement, human consumption and general needs of the employees is met by supply from Maharashtra Industrial Development Corporation (MIDC).

Quality Control

We believe that quality control is critical to our continued success. Across various manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Regular audit programs validate our attempts to deliver consistent quality. Further, all activities and aspects which can have a direct or indirect impact on quality of the products and compliance levels are controlled through standard operating procedures. We have established well defined validation and qualification systems to ensure that systems, facilities and processes are designed and developed in line with the needs of the customers and to comply with regulatory requirements. Our quality management processes extend from factory processes to the top management processes.

Quality risk management procedures are established and followed for internal audits, failure investigations and implementation of permanent remedial measures. We have also established training procedures and systems for the training and development of our employees with respect to regulatory guidance, new developments, internal procedures and case studies.

We have also established an analytical testing facility which caters to both in-house requirements and provide analytical supports to clients. Our products face competition from products commercialized or under development by competitors in all our business segments in India as well as overseas. Our key competitors in animal health API segment are Norbrook Laboratories Limited, Sequent Scientific Limited and Alembic Pharmaceuticals Limited.

Many of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. For additional information, see "*Risk Factors – The pharmaceutical industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition*" on page 25 of this Draft Letter of Offer.

Health and Safety

We are also subject to a broad range of safety, health, environmental, labour, workplace and related laws, which impose controls on the disposal and storage of raw materials, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management.

Exports & Exports Obligations

As on date of this Draft Letter of Offer, our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

We have imported certain raw materials at a concessional rate/zero duty under the "advance license scheme" of the Directorate General of Foreign Trade, Government of India and have consequently assumed certain export obligations that we are required to meet by Fiscal 2018. As at June 30, 2018, Lasa Supergenerics Limited had outstanding export obligations pursuant to the advance license scheme of ₹ 15.00 lakhs.


Regulatory and Environmental Matters

We are subject to significant Indian national and state environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in addition to the analogous laws and regulations in the foreign jurisdictions in which we do business. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We also handle hazardous materials in dedicated production areas.

See “*Risk Factors – Internal Risk Factors – The pharmaceutical market is subject to extensive regulation and any failure to comply with the applicable regulations prescribed by central and state governments in India and regulatory agencies in India or abroad or failure to obtain or renew any licenses and permits, could adversely affect our business, results of operations and financial condition*” on page 18 and “*Regulations and Policies*” on page 124 of this Draft Letter of Offer.

Patents and Trademarks

We protect our competitive position by, among other methods, filing patent applications to protect technology and improvements that we consider important for the development of our products. We have filed 6 patent applications in India and abroad which are process patents for various APIs.

Further, our corporate logo  is in the process of registration with the Trademark Authorities. We have applied for registration of our logo under the Trademarks Act, 1999 vide an application dated July 8, 2017 and our application is pending before the Registrar of Trademarks. For further details, please see “*Government and Other Approvals*” on page 236 of this Draft Letter of Offer.

Insurance

All of our assets such as buildings, plant and machinery, furniture, fixtures and fittings, stocks and stocks in process (including miscellaneous stocks) and all other assets such as vehicles and forklifts, are insured for fire, riots, strike, malicious damage, earthquake, floods, burglary and housebreaking risk, theft and breakdown, liability depending on our risk assessment and risk management practices. We carry specific machinery insurance policy which includes against third party liability, excess freight and additional customs duty. We have also taken a transit throughout (all risk cover) insurance policy that covers our products, raw materials, packing materials, finished goods, chemicals, machinery, equipment and all other assets during transit and storage during transit.

For additional details relating to our product liability insurance, please refer to “*Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition*” on page 23 of this Draft Letter of Offer.

Employees

We employ a total of 178 employees across different business segments in India, of which 20 are employed in research and development and the remainder across the API divisions. The breakdown of the number of our employees, as of September 30, 2018, is set out below:

Category/ Department	Number of employees
Corporate Office	3
Accounts & Finance	12
HR & Administration	14
Marketing	5
Information Technology (“IT”)	3
Purchase	6
Secretarial	4
Search Engine Optimization (“SEO”)	2

Category/ Department	Number of employees
Engineering/ Maintenance	13
Production	72
Quality Assurance (“QA”)/ Quality Control (“QC”)	13
Stores	10
Research & Development (“R&D”)	20
Legal	1
Total	178

Properties

Our Company’s registered office is located at C-105, MIDC, Mahad, Raigad, - 402301, Maharashtra, India. The registered office has been leased by us from MIDC (“Maharashtra Industrial Development Corporation”). Our corporate office is located at B-207, Citi Point, Andheri Kurla Road, Andheri (East), Mumbai – 400059, Maharashtra, India on a leasehold property.

Land on which manufacturing facilities are located

Our manufacturing facilities in India are situated on land which is either owned by us or has been leased to us.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant laws and regulations applicable to our Company. The description of laws and regulations set out below are not exhaustive and are neither designed nor intended to be a substitute for professional legal advice. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.

BUSINESS RELATED LAWS

National Pharmaceuticals Pricing Policy, 2012

National Pharmaceuticals Pricing Policy, 2012 (the “**2012 Policy**”) replaces the drug policy of 1994 and seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 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 as 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 Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011

The Legal Metrology Act, 2009 (the “**Legal Metrology Act**”) was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and replaces the Standard of Weights and Measures (Enforcement) Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act replaces the Standard of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology (Packaged Commodities) Rules, 2011 (the “**Legal Metrology Rules**”) were issued by the Central Government under the Legal Metrology Act. Under the Legal Metrology Act, every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the Legal Metrology Act is an offence, as is tampering or altering any reference standard, secondary standard or working standard. Pursuant to section 19 of the Legal Metrology Act, no person shall import any weight or measure unless he is registered with the Director in such manner and on payment of such fees, as may be prescribed. Further section 23 of the Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. According to the Legal Metrology Rules, no person shall pre-pack or cause or permit to be pre-packed any commodity for sale, distribution or delivery unless a declaration is made on the package as required under the Legal Metrology Rules. Every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery is required to be registered.

Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945

The Drugs and Cosmetics Act, 1940 (“**Drugs and Cosmetics Act**”) regulates the import, manufacture, distribution and sale of drugs and cosmetics. The provisions of the Drugs and Cosmetics Act stipulate that no person can import, manufacture, distribute, stock, sell, exhibit or offer for sale any drug, except under the license granted for these respective operations by the authority notified under the Drugs and Cosmetics Act. The main authorities under the Drugs and Cosmetics Act are the licensing authority and the drug inspector appointed by the Central Government or a State Government. The inspector is empowered to inspect any premises within the local limits of the area for which he is appointed, wherein any drug or cosmetic is being, inter alia, manufactured, sold, stocked, exhibited, distributed

or offered for sale. Drugs Administration is empowered and notified as licensing authority to issue licenses for different categories of business in drugs. The Assistant Drugs Controller acts as a supervisory officer and assists the Director in implementation of the Drugs and Cosmetics Act and rules thereunder. The Drugs and Cosmetics Act prescribes the standards for purity, identity and strength of drugs and cosmetics.

With the advent of alternatives in a large way in the near future owing to the development of alternatives worldwide and the requirements of Indian law, i.e., Section 17(2)(d) of Chapter IV of the Prevention of Cruelty to Animals (PCA) Act, 1960 requires that “experiments on animals are avoided wherever it is possible to do so”, it is important that a scientist with knowledge and expertise on non-animal alternative to experimentation is included in the Drugs Technical Advisory Board under the Drugs and Cosmetics Act, 1940 so that redundant animal testing could be avoided wherever necessary, hence the Drugs and Cosmetics (Amendment) Bill, 2016 was introduced.

The Drugs and Cosmetics Rules, 1945 (the “**DCA Rules**”) have been enacted in order to give effect to the provisions of the Drugs and Cosmetics Act which regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DCA Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, the forms of Central Drugs Laboratory’s reports thereon and the fees payable in respect of such reports. The DCA Rules also prescribe which classes of drugs or cosmetics require a license to be imported and prescribe the form and conditions of such licenses, the relevant issuing authority and the fees payable for obtaining such a license. The DCA Rules set out the conditions under which the cancellation or suspension of such license. The DCA Rules further prescribe the manner of labelling and packaging of drugs.

The Drugs (Prices Control) Order, 2013

The Central Government has under section 3 of the Essential Commodities Act, 1955 issued the Drugs Prices (Control) Order, 2013 (“**Control Order 2013**”) which will replace the Drugs Prices (Control) Order, 1995. Under the provisions of the Control Order, 2013, the Central Government may issue directions to every manufacturers of active pharmaceutical ingredient or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency, procedures for fixing the ceiling price scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulation. Every manufacturer of schedule formulation intended for sale shall display in indelible print mark, on the label of container of the formulation and the minimum pack thereof offered for retail sale, the maximum retail price of that formulation based on the ceiling price notified in the Official Gazette or ordered by the Government in this behalf with the words "Maximum Retail Price" preceding it and the words 'inclusive of all taxes' succeeding it. The Control Order, 2013 inter alia, also provides for the list of price-controlled drugs, procedures for fixing the prices of drugs, method of implementation of prices fixed by Government and penalties for contravention of provisions and formulations which fall within the purview of the legislation. Section 7 of the Essential Commodities Act, 1955 states the penalty for contravention of the Control Order, 2013 to be minimum imprisonment of 3 (three) months, which may extend to seven years and the violator is also liable to pay a fine.

The Essential Commodities Act, 1955

The Essential Commodities Act, 1955 (the “**Essential Commodities Act**”) provides for the regulations relating to production, supply, distribution, trade and commerce of the commodities that are declared as essential, for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices. Fertilizers and heavy chemicals (whether organic or inorganic) are categorized as essential commodities under the Essential Commodities Act. The ministries/ departments of central government have issued control orders for regulating production, distribution, and quality aspects pertaining to the commodities which are essential and administered by them.

Petroleum Act, 1934 and Petroleum Rules, 2002

The Petroleum Act, 1934 (“**Petroleum Act**”) regulates the import, transport and storage of petroleum. Under the Petroleum Rules, 2002 (“**Petroleum Rules**”) no person shall import, transfer or store petroleum except under and in accordance with a license granted under these rules. Every person desiring to obtain a license to import and store petroleum shall submit to the licensing authority an application for registration in Form XV or in Special Form, within

the prescribed time limit. On expiry of a license, the applicant has to make an application for renewal of license. A license may be renewed by the authority empowered to grant such a license, provided that a license which has been granted by the Chief Controller may be renewed without alteration, by a Controller duly authorized by the Chief Controller. Pursuant to Section 23, whoever contravenes any of the provisions of the Petroleum Act, shall be punishable with simple imprisonment which may extend to one month, or with fine which may extend to ₹1000 or with both.

ENVIRONMENTAL LAWS

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act, 1974 (the “WPA”), the Air (Prevention and Control of Pollution) Act, 1981 (the “APA”), the Environment Protection Act, 1986 (the “EPA”) and Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“HWM”)

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (“WPA”) aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debar any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board. The Central and State Pollution Control Boards constituted under the WPA are also to perform functions as per the APA for the prevention and control of air pollution. The APA aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (“APA”) aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. The central pollution control board and state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well.

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 (“EPA”) encompasses various environment protection laws in India. The EPA grants the Government of India the power to take any measures it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling pollution. Penalties for violation of the EPA include imprisonment, payment of a fine, or both. EPA has been enacted for the protection and improvement of the environment. EPA provides for the constitution of Boards to regulate pollution levels and protect the environment, the formulation of rules with regard to environmental standards and imposes certain obligations. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The Central Government may make rules for regulating environmental pollution.

Hazardous Wastes (Management, Handling, and Transboundary Movement) Rules, 2008

Hazardous Wastes (Management, Handling, and Transboundary Movement) Rules, 2008 (“**HWM**”) regulates the issue of management, storage, and disposal of hazardous waste under the EPA Act. The HWM Rules become applicable in case of an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Under the HWM Rules, the Pollution Control Boards are empowered to grant authorization for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“**HOWM**”) regulate, inter alia, the collection, reception, treatment, storage and disposal of hazardous waste by making the occupier responsible for safe and environmentally sound management of hazardous and other wastes. For the management of hazardous waste, the occupier is required to take steps towards prevention, minimisation, reuse, recycling, recovery, utilisation including co-processing and safe disposal. Every occupier of a facility generating hazardous and other waste must obtain an authorisation from the relevant state pollution control board. The occupier, importer or exporter and operator of the disposal facility shall be liable for all damages caused to the environment or third party due to improper handling and management of the hazardous and other waste. The occupier, importer or exporter and the operator of the disposal facility shall also be liable to pay financial penalties as levied for any violation by the state pollution control board.

In addition, the Ministry of Environment and Forests, Government of India (the “**MoEF**”) looks into environment impact assessment (the “**EIA**”). The MoEF receives proposals for expansion, modernization and setting up of projects, and the impact such projects would have on the environment is assessed by the MoEF before granting clearances for the proposed projects. Furthermore, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (the “**Hazardous Chemicals Rules**”) stipulate that an occupier in control of an industrial activity has to provide evidence for having identified the major accidental hazards and taking adequate steps to prevent major accidents and to limit their consequences to persons and the environment. The persons working on site have to be provided with information, training and equipment including antidotes necessary to ensure their safety.

Public Liability Insurance Act, 1991

Public Liability Insurance Act, 1991 (“**Public Liability Act**”) provides for the public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith. Under the Public Liability Act, every owner or controller of hazardous substances is required to take out one or more insurance policies providing for contracts of insurance stating that he is insured against the liability to give relief before he starts handling the hazardous substance. Consecutively, he is required to renew the abovementioned policies from time to time before their expiry so that the insurance policies remain valid throughout the period during which such hazardous waste is handled.

The Public Liability Act empowers the Central Government to establish the Environment Relief Fund by notification in the Official Gazette. Pursuant to the provisions of the Public Liability Insurance Rules, 1991, every owner or handler is obliged to contribute to the Environment Relief Fund a sum equal to the premium payable to the insurer. Every contribution to the Environmental Relief Fund shall be payable to the insurer, together with the amount of premium.

LABOUR LAWS

Factories Act, 1948

Factories Act, 1948 (“**Factories Act**”) regulates the provisions relating to labour in factories. The Factories Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the preceding twelve months and on which an electronic manufacturing process is carried on. Further, it also includes any premises

on which twenty or more workers are employed or were employed on any day of the preceding twelve months and on which a manufacturing process is ordinarily carried on without the use of electricity. The applicant needs to submit the prior plans and obtain the approval of the respective State Government for the establishment, registration and licensing of factories. The provisions for the same are contained in the rules made by the respective State Governments.

The Factories Act defines occupier of a factory as the person who has ultimate control over the factory. In case of a company, any one of the directors shall be deemed to be the occupier. Fifteen days before the occupier begins to use the factory premises, he shall send a notice to the Chief Inspector in writing containing details of the factory (name and situation) and the occupier (name and address). The occupier is responsible for varied functions including the health, safety and welfare of the workers, maintenance of the plant and systems operating in the factory, safety and risk-free environment in relation to the use, handling, storage and transport of substances, monitoring the work environment. The Factories Act provides for provisions relating to health and safety, cleanliness and safe working conditions. Employment of women and children in the factories is prohibited under the Factories Act. Violations to any of the provisions of the Factories Act or the rules framed there under may lead to the imprisonment of the occupier or the manager of the factory for a term not exceeding two years and/or with a fine of ₹ 1,00,000 or both. If any continuing violation after conviction is observed, a fine of up to ₹ 1,000 per day of violation may be levied.

The Ministry of Labour and Employment proposes to amend the Factories Act, 1948 vide Office Memorandum dated June 5, 2014 wherein it is proposed to redefine the term “hazardous process” as a process in which a hazardous substance is used and the term “hazardous substance” would have the same meaning as assigned in the Environment Protection Act, 1986. An Occupier would now be required to take permission from the State Government for expansion of a factory within certain prescribed limits. Various safety precautions have been taken by the State Government to prevent persons to enter any confined space unless a written certificate has been given by a competent person and such person is wearing a suitable breathing apparatus. The occupier of a factory which is engaged in a hazardous process is required to inform the Chief Inspector within 30 days before the commencement of such process. An Inquiry Committee will be appointed by the Central Government to inquire into the standards of health and safety observed in the factory.

INTELLECTUAL PROPERTY RIGHTS

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee. On September 22, 2010, The Trade Marks (Amendment) Act, 2010 was enacted amend certain provision of Trade Mark Act, 1999.

Further, the Central Government, in exercise of the powers conferred by Section 157 of the Trade Marks Act, 1999 enacted Trade Marks Rules, 2017 in supersession of and to replace Trade Marks Rules, 2002.

Patents Act, 1970

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Historically, India granted patent protection only to processes and not to products in respect of food, medicine or drugs. However, as a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (“**TRIPS**”), India was required to ensure that its patent laws were in compliance with the TRIPS by January 1, 2005. Under this new patent regime, India is required to recognize product patents as well as process patents.

In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to

certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent. The Patents Act deems that computer programs per se are not 'inventions' and are therefore, not entitled to patent protection. This position was diluted by The Patents Amendment Ordinance, 2004, which included the following as patentable subject matter:

- a. Technical applications of computer programs to industry; and
- b. Combinations of computer programs with the hardware.

However, the Patents Amendment Act, 2005 does not include this specific amendment and consequently, the Patents Act, as it currently stands, disentitles computer programs per se from patent protection. The public use or publication of an invention prior to the making of an application for a patent, may disentitle the said invention to patent protection on the grounds of lack of novelty. Under the Patents Act, an invention will be regarded as having ceased to be novel (and hence not patentable), inter alia, by the existence of:

- a. any earlier patent on such invention in any country;
- b. prior publication of information relating to such invention;
- c. an earlier product showing the same invention; or
- d. a prior disclosure or use of the invention that is sought to be patented.

Following its amendment by the Patents Amendment Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post-grant. The grounds for such patent opposition proceedings, inter alia, include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere.

The proviso to section 11A (7) has been introduced in the Patents Act to provide protection to those Indian enterprises which have made significant investment and have been producing and marketing a product prior to January 1, 2005, for which a patent has been granted through an application made under section 5(2) of the Patents Act and have continued to manufacture the product covered by the patent on the date of grant of the patent. In such a case, the patent-holder shall only be entitled to receive reasonable royalty from such enterprises and cannot institute infringement proceedings against such enterprises.

The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six weeks period. Patents are territorial by nature, as a result of which an invention patented in one country does not enjoy protection in another country. The Patent Cooperation Treaty to which India is a signatory tries to fill this lacuna to an extent and makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries through a single application process.

The Foreign Trade (Regulation and Development) Act, 1992

The Foreign Trade (Regulation and Development) Act, 1992 (the "**Foreign Trade Act**") was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an importer-exporter code number granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an Importer Exporter Code ("**IEC**") unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

Regulation of Foreign Investment in India

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable FEMA Regulations and the extant consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or

the approval route, depending upon the sector in which foreign investment is sought to be made. Under the current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the “**Consolidated FDI Policy**”), which consolidates the policy framework on FDI, up to 100% FDI through the automatic route is permitted in Greenfield sectors and up to 74% FDI through automatic route and beyond 74% through Government route is permitted for Brownfield Sectors under the Consolidated FDI Policy.

OTHER INDIAN LEGISLATIONS

Without Prejudice to any other law as maybe be applicable to the Company, in addition to the above, our Company is also required to comply at all times with the provisions of various other laws, rules and regulations listed as follows:

- Drugs & Magic Remedies (Objectionable Advertisement) Act, 1954 and Rules 1955;
- Atomic Energy Act, 1962;
- Municipal Solid wastes (Management and Handling) Rules, 1998;
- Water (Prevention and Control of pollution) CESS Act, 1977;
- Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- Bio-Medical Waste (Management and Handling) Rules, 1998;
- Merchant Shipping Act, 1958;
- Payment of Gratuity Act, 1972;
- Workmen’s Compensation Act, 1923;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Contract Labour (Regulation and Abolition) Central Rules, 1971;
- The Child Labour (Prohibition and Regulations) Act, 1986;
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the schemes formulated there under;
- Employees State Insurance Act, 1948;
- The Maternity Benefits Act, 1961;
- The Industrial Employment (Standing Orders) Act, 1946;
- The Industrial Dispute Act, 1947;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965;
- Payment of Wages Act, 1936;
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- Tax related legislations such as the Goods & Services Tax (The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017), the IT Act.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as “*Lasa Supergenerics Limited*” on March 11, 2016 as a public company under the provisions of Companies Act, 2013 having registration number 274202 of 2016 with the RoC. Our Company has received its Certificate of Incorporation dated March 11, 2016 from the RoC. The Corporate Identification Number of our Company is L24233MH2016PLC274202.

Pursuant to the Scheme of Arrangement which was sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 13, 2017, and which took effect on May 2, 2017, four wholly owned subsidiary companies of Omkar Speciality Chemicals Limited were merged into Omkar Speciality Chemicals Limited, and the Veterinary API Undertaking of Omkar Speciality Chemicals Limited was demerged into our Company. For further details please refer to paragraph “*Details regarding acquisition of business / undertakings, mergers, amalgamation*” in this chapter. Prior to the aforementioned Scheme of Arrangement, our Company was not doing any business.

The Equity Shares of our Company had gotten listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) on September 21, 2017.

Presently, the Registered Office of our Company is located at C-105, MIDC Mahad, Raigad – 402301, Maharashtra, India.

Change in registered office of the Company

Effective Date	From	To
April 20, 2017	F-9, M.I.D.C. Badlapur (East) – 421503, Maharashtra, India.	H No. 10/1, Kedar Co-operative Housing Society, Shirgaon, Kulgaon (E) – 421503 Maharashtra, India.
June 2, 2017	H No. 10/1, Kedar Co-operative Housing Society, Shirgaon, Kulgaon (E) – 421503, Maharashtra, India.	Plot of land bearing CTS No. 244/A of village Kondivita, CTS No. 36/A of village Chakala, Office No. B-2017 “Citi Point”, Andheri Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400059, Maharashtra, India.
June 9, 2018	Plot of land bearing CTS No. 244/A of village Kondivita, CTS No. 36/A of village Chakala, Office No. B-2017 “Citi Point”, Andheri Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400059, Maharashtra, India.	C-105, MIDC Mahad, Raigad – 402301, Maharashtra, India

The Registered Office was changed due to administrative and operational convenience.

Our Main Object

The main objects of our Company are:

“1. To carry on in India and elsewhere the business to manufacture, produce, process, prepare, treat, disinfect, compound, formulate, mix, concentrate, pack, repack, refine, add, remove, purify, preserve, grade, freeze, distillate, boil, sterilize, improve, extract, buy, sell, wholesale / resale, trade, import, export, barter, transport, store, forward, distribute, dispose, develop, research, discover, manipulate, market, supply, concessions, or to otherwise deal as chemists, analytical chemists, research chemists, druggists, industrial consultant, for all types, descriptions, specifications, strengths and applications of chemicals including and without limitation to fine chemicals, organic and inorganic chemicals and their by-products, pharmaceuticals, drugs, intermediates, fine chemicals regents,

laboratory grade chemicals, dye stuffs, dyes and colours, enzymes, sanitary napkins, derivatives, formulations, plastics, pesticides, pigments, varnishes, paints, alcohols, agro-chemicals, petrochemicals, compound industrial and other preparations and also undertaking on a job-work basis the manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals, reagents, laboratory grade chemicals and to provide consultancy services, contract research which shall include working as preparation of feasibility studies, working out of process details and equipment specification, plant erection and commencement of new project on turn-key basis and to apply for, register, renew licenses, patents, patent rights, brevet d'invention, trademarks, designs."

The main objects clause and objects incidental or ancillary to the main objects contained in the Memorandum or Association enable our Company to undertake its existing activities.

Amendments to the Memorandum of Association

Except as disclosed below, there have been no alterations/ amendments to the Memorandum and Articles of Association of our Company since the incorporation of our Company:

Sr. No.	Date of Shareholders Approval / Court Order	Particulars
1.	September 25, 2018	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the company from ₹ 35,00,00,000 divided into 3,50,00,000 Equity Shares of ₹ 10 each to ₹ 50,00,00,000 divided into 5,00,00,000 Equity Shares of ₹ 10 each.

Major Events and Milestones

The table below sets forth some of the key events, milestones, achievements and awards in our history since inception:

Date / Calendar Year	Events / Milestones
March 11, 2016	The Company was incorporated.
March 28, 2016	The Composite Scheme of Arrangement was approved by the Board of Directors
May 2, 2017	Scheme of Arrangement (Demerger) took effect.
September 21, 2017	Listed on the BSE Limited and the National Stock Exchange of India Limited
November 22, 2017	Began trial production at Unit IV, at Chiplun which has a capacity of 4300 Metric Tonnes.
2018	Filed new CEP Application for VET API product with the European Directorate for the Quality of Medicines (EDQM).

Awards and Accreditations

NIL

Issuance of Equity or Debt

Other than as disclosed in "Capital Structure" on page 54 of this Draft Letter of Offer, our Company has not issued any capital in the form of equity or debt. For details on the description of our Company's activities, the growth of our Company, see "Our Business" on page 108 of this Draft Letter of Offer.

Total number of Equity Shareholders of our Company

As on the date of this Draft Letter of Offer, our Company has 20,303 Equity Shareholders. For further details, see "Capital Structure" on page 54 of this Draft Letter of Offer.

Business and Management

For a description of our activities, services, products, technology, market segments, the growth of our Company, foreign operations, the standing of our Company with reference to prominent competitors in connection with our services, management, major clients, geographical segment, plants etc., see “*Our Business*” and “*Industry Overview*” on pages 108 and 84 of this Draft Letter of Offer. For details on the management of our Company, see “*Our Management*” on page 136 of this Draft Letter of Offer.

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company since incorporation on March 11, 2016, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital Raising

Our Company has not undertaken any activity for capital or facility creation as on the date of this Draft Letter of Offer.

Strike and lock-outs

Our Company has not had any strikes or lock-outs in our operations since incorporation.

Time or cost overrun

Our Company has not experienced any instances of time/cost overrun in our business operations.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

There have been no defaults or rescheduling of borrowings with financial institutions, or banks.

Revaluation of assets

Our Company has not undertaken any revaluation of assets since incorporation.

Details regarding acquisition of business / undertakings, mergers, amalgamation

Our Company was initially promoted by Pravin Herlekar, Rishikesh Herlekar and Omkar Herlekar. Pursuant to the Scheme of Arrangement as sanctioned by the National Company Law Tribunal vide Order dated April 13, 2017, Lasa Laboratories, Urdhwa Chemicals Company Limited, Desh Chemicals Private Limited and Rishichem Research Limited which were wholly owned subsidiaries of Omkar Speciality Chemicals Limited, were merged into Omkar Speciality Chemicals Limited.

As a result of the said Scheme of Arrangement, the Veterinary API Undertaking of Omkar Speciality Chemicals Limited was demerged into our Company, and our Company ceased to be a wholly owned subsidiary of Omkar Speciality Chemicals Limited as its post demerger shareholding in our Company was reduced to 10% (ten percent).

Pursuant to the Scheme of Arrangement, our Company was to be controlled, managed and run by Omkar Herlekar and Omkar Speciality Chemicals Limited was to be controlled, managed and run by Pravin Herlekar. It was mutually decided between them that both will not classify each other as promoter or director in their respective companies. Accordingly, to give effect to the said understanding, Deed of Disassociation was executed on July 22, 2017 between Pravin Herlekar, Omkar Herlekar, Rishikesh Herlekar, Anita Herlekar and Svaks Biotech India Private Limited.

The key provisions of the Scheme of Demerger are as follows:

1. The whole of the Veterinary API Undertaking of Omkar Speciality Chemicals Limited, and its properties stand transferred to our Company in accordance with the applicable provisions of the Companies Act, 2013 and various other taxation laws in force in India, and without any further act, deed, matter or thing, stand transferred to and

vested in and/or be deemed to be transferred to and vested in our Company so as to vest in our Company all rights, titles and interests pertaining to the veterinary API undertaking of Omkar Speciality Chemicals Limited.

2. The services of all employees of the veterinary API undertaking of Omkar Speciality Chemicals Limited stood transferred to our Company.
3. 10% shares of our Company i.e., 22,36,445 Equity Shares were issued to Omkar Speciality Chemicals Limited.
4. All the business and undertaking of Omkar Speciality Chemicals Limited other than the Veterinary API Undertaking, i.e., the Residual Undertaking would be retained, managed and operated by Omkar Speciality Chemicals Limited after the Scheme of Demerger.
5. Our Company issued and allotted shares, without any further application or deed, credited as fully paid-up, to the shareholders of Omkar Speciality Chemicals Limited in the ratio of 1 (one) equity share having face value of ₹ 10 each of our Company for every 1 (one) equity share having face value of ₹ 10 each of Omkar Speciality Chemicals Limited, each equity share being fully paid-up.
6. The assets pertaining to Omkar Speciality Chemicals Limited that are movable and incorporeal properties thereof, or those that are otherwise capable of transfer by physical / constructive delivery or by vesting and recordal including plants, machineries and equipments, stand vested in or deemed to be vested in our Company.
7. Debts and liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description, secured or unsecured of Omkar Speciality Chemicals Limited shall be transferred or be deemed to be transferred to our Company.
8. Statutory licenses, permissions, approvals or consents held by Omkar Speciality Chemicals Limited stand vested in or transferred to our Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. vest in and become applicable to our Company. Various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body or other authority or person, or availed of by Omkar Specialty Chemicals Limited, shall vest with and be available to our Company on the same terms and conditions as applicable to Omkar Speciality Chemicals Limited.

Injunction or Restraining Order

As on the date of this Draft Letter of Offer, there are no injunctions or restraining orders against our Company.

Shareholders and Material Agreements

As on date of this Draft Letter of Offer, there are no material agreements entered into by the Company, except in the ordinary course of business.

Holding Company

Our Company does not have a holding Company, as on date of this Draft Letter of Offer.

Our Subsidiaries

As on the date of this Draft Letter of Offer, our Company has no subsidiaries.

Associate Companies and Joint Venture

As on the date of this Draft Letter of Offer, our Company does not have any associate companies and is not party to any joint venture.

Strategic and Financial Partnerships

As on the date of this Draft Letter of Offer, our Company does not have any strategic partners.

Technology, market, managerial competence and capacity built-up

For information on our Company's profile, activities, market, growth, technology, managerial competence, see "*Industry Overview*", "*Our Business*", "*Our Management*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 84, 108, 136, 163 and 211 of this Draft Letter of Offer, respectively.

Other Agreements

Except for the Agreements entered into by our Company in the ordinary course of business, there are no agreements being material contracts to which our Company is a party.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors on our Board of Directors. As on the date of filing this Offer Document, our Company has seven Directors on its Board, of which three are Executive Directors and four are Independent Directors, including two Woman Directors.

Our Board

The following table sets forth the details of our Board of Directors as of the date of this Draft Letter of Offer:

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorship
1.	<p>Omkar Herlekar</p> <p>Designation: Chairman and Managing Director</p> <p>Address: Flat No. 1301/1302, 13th Floor, Premium Tower Co-operative Housing Society Limited, Lokhandwala Complex, Andheri West, Mumbai – 400053, Maharashtra, India</p> <p>Occupation: Business</p> <p>DIN: 01587154</p> <p>Term: 5 years up to May 1, 2022</p> <p>Nationality: Indian</p>	37	<p>i. Harishree Aromatics and Chemicals Private Limited; and</p> <p>ii. Amarnath Securities Limited.</p>
2.	<p>Shivanand Hegde</p> <p>Designation: Whole-time Director</p> <p>Address: B1, 303 Mohan Jyot CHS Shiv Mnadir Road Near Herambh Mandir Kher Section Ambernath East, Thane – 421501, Maharashtra, India.</p> <p>Occupation: Service</p> <p>DIN: 00185508</p> <p>Term: 5 years, up to May 1, 2022</p> <p>Nationality: Indian</p>	56	NIL
3.	<p>Mithun Jadhav</p> <p>Designation: Whole-Time Director</p> <p>Address: Near Swami Samarath Math Markandi, Chiplun, Ratnagiri -415605, Maharashtra, India</p>	32	NIL

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorship
	<p>Occupation: Service</p> <p>DIN: 08181048</p> <p>Term: 5 years upto August 12, 2023</p> <p>Nationality: Indian</p>		
4.	Hardesh Tolani	27	NIL
	<p>Designation: Independent Director</p> <p>Address: B.R.K No 1643/12, Section 28, Opposite Searock Palace, Ulhasnagar, Kalyan, Ulhasnagar, Thane – 421004, Maharashtra, India.</p> <p>Occupation: Service</p> <p>DIN: 07811319</p> <p>Term: 5 years, upto May 1, 2022</p> <p>Nationality: Indian</p>		
5.	Ajay Sukhwani	29	NIL
	<p>Designation: Independent Director</p> <p>Address: 101, 1st Floor, Sai Jyot Apartment, Near Vatika Restaurant, Near Bewas Chowk, Ulhasnagar, Thane – 421001, Maharashtra, India.</p> <p>Occupation: Business</p> <p>DIN: 07811551</p> <p>Term: 5 years, upto May 1, 2022</p> <p>Nationality: Indian</p>		
6.	Ekta Gurnasinghani	29	NIL
	<p>Designation: Independent Director</p> <p>Address: 103, Anil Palace, Near Dhunichand Kalani Building, O.T. Section, Ulhasnagar-2, Thane – 421002, Maharashtra, India</p> <p>Occupation: Service</p> <p>DIN: 07811337</p>		

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorship
	Term: 5 years, upto May 1, 2022 Nationality: Indian		
7.	Manali Bhagtani Designation: Independent Director Address: 405, Glamour Apartment, Goal Maidan, Ulhasnagar-1, Ulhasnagar, Thane-421001, Maharashtra, India. Occupation: Business DIN: 08067867 Term: 5 years up to February 11, 2023 Nationality: Indian	24	NIL

Brief Profiles of our Directors

Omkar Herlekar, aged 37 years, is the Chairman and Managing Director of our Company. He was appointed as the Chairman and Managing Director of our Company by a resolution of our Board dated May 2, 2017. He holds a doctorate in Philosophy (science) from the Institute of Chemical Technology, Mumbai and a degree of Masters of Science (By Research) (Theory) from University of Mumbai. In the past, he has been a director of Omkar Speciality Chemicals Limited, and of Lasa Laboratory Private Limited. He has 13 years of experience in the veterinary API industry.

Shivanand Hegde, aged 56 years, is a Whole Time Director of our Company. He holds a degree of Masters of Science (Final) in Organic Chemistry from Karnataka University, Dharwad. He has previously worked as the Vice President (Technical) at PI Drugs & Pharmaceuticals Limited, as the Senior Vice President (Operations) at D.K. Pharmachem Private Limited, as well as the Vice President (Operations) at Chemspec Chemicals Private Limited. Prior to joining our Company, he was working with Lasa Laboratory Private Limited as Executive Director. Pursuant to the Scheme of Arrangement, his services were transferred from Lasa Laboratory Private Limited to our Company with effect from May 2, 2017.

Mithun Jadhav, aged 32 years, is a Whole Time Director of our Company. He holds a degree of Bachelors of Commerce from University of Mumbai and a diploma in Materials Management from Institute of Management Studies, Career Courses in Research, Chiplun. Prior to joining our Company, he has worked with Deepak Novochem Technologies Limited, Kansai Nerolac Paints Limited, Valvoline Cummins Limited and Omkar Speciality Chemicals Limited. He has 8 years' experience in the chemical industry in the various departments such as purchase, inventory management and vendor management department. He has joined our Company on August 13, 2018 and was appointed as an Additional Director with effect from August 13, 2018 and was thereafter appointed as a Whole Time Director of our Company by a resolution passed at the Annual General Meeting of our Company held on September 25, 2018.

Hardesh Tolani, aged 27 years, is an Independent Director of our company. He is a qualified Chartered Accountant. He has 2 years' experience in financial reporting, financial modeling and taxation. He has been associated with our Company since May 2, 2017.

Ajay Sukhwani, aged 29 years, is an Independent Director of Company. He holds a degree of Bachelors of Commerce from University of Mumbai. He has over 6 years' experience in the fields of audit, accounting, taxation and statutory

registrations as well as appearances for assessments and scrutiny matters. His work experience includes working at the firm M/s. Chachra & Company, Tax Consultants. He has been associated with our Company since May 2, 2017.

Ekta Gurnasinghani, aged 29 years, is an Independent Director of the Company. She holds a Master's Degree in Commerce from the University of Mumbai. She is a member of the Institute of Chartered Accountants of India. She has an overall experience of four (4) years in the field of financial reporting and consultancy, which include internal Audits, tax planning, advisory work, framing of accounting standards etc. Her work experience includes working as an Associate Consultant at Larsen & Toubro Infotech Limited and as a Senior Mapping Analyst Lead at IRIS Business Services Limited. She has been associated with our Company since May 2, 2017.

Manali Bhagtani aged 24 years, is an Independent Director of our Company. She is a member of the Institute of Chartered Accountants of India. She is a practicing Chartered Accountant and is the proprietor of the firm M/s. M R Bhagtani & Co., Chartered Accountants. She has 4 year's post qualification experience in taxation and auditing matters and her work experience includes Preparation of Financial Statements, Accounts Consultancy, Internal & Statutory Audit, all Direct (Income Tax, TDS) and Indirect Tax (GST, Service Tax, VAT) consultancy and return filings, Valuations, etc. She has been associated with our Company since February 12, 2018.

Relationship between Directors

None of the Directors of our Company are related to each other.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned Directors have been appointed on the Board.

Payment or benefit to Directors of our Company

Except as disclosed in the "Related Party Transactions" in "Financial Statements" beginning on page 163 of this Draft Letter of Offer, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration or sitting fees for services rendered as directors, officers or employees.

Remuneration details of our Directors

(i) Remuneration of our Executive Directors

Omkar Herlekar

Omkar Herlekar was appointed as an Executive Director and Chairman and Managing Director of our Company with effect from May 2, 2017 and confirmed by our shareholders at their meeting held on June 6, 2017. Pursuant to the terms of his appointment, fixed under the agreement for appointment dated May 2, 2017, he is entitled to a gross remuneration of ₹ 42,00,000 per annum.

Further, pursuant to a resolution passed by our Board dated May 2, 2017, Omkar Herlekar has been allotted accommodation in Flat No. 1301/1302, Premium Tower, Lokhandwala Complex, Opposite Samarth Aishwarya, Andheri West, Mumbai – 400053, Maharashtra, India. The said flat is a leasehold property of our Company under leave and license agreement dated May 30, 2017 entered into between Mrs. Jagdeep Kaur, i.e., the licensor, and our Company.

The table below sets out the present remuneration details of Omkar Herlekar:

Particulars	Details
Basic Salary	₹ 1,75,000 per month
HRA	₹ 70,000

Particulars	Details
Conveyance	₹ 5,000
LTA	₹ 10,000
Medical	₹ 30,000
Other Allowance	₹ 60,000
Special Allowance	<ul style="list-style-type: none"> Bonus for the financial year, at the discretion of the Company, with shareholder approval. Leave Travel allowance for Omkar Herlekar and his family once a year in accordance with the Company policy.
Perquisites	<ul style="list-style-type: none"> Reimbursement of expenses incurred by Omkar Herlekar in purchase of newspapers, magazines, books and periodicals in accordance with Company policy. Reimbursement of medical and hospitalization expenses of the Managing Director and his family subject to a ceiling of one months' salary in a year. Reimbursement of expenses incurred by him on account of business of the Company in accordance with Company policy. Reimbursement of any other expenses properly incurred by him in accordance with rules and policies of the Company.
Housing	Rent free accommodation
Car & Telephone	Provision of chauffeur driven car for the use on Company's business, meal coupons and telephone at residence.

Shivanand Hegde

Shivanand Hegde was appointed as an Additional Director by our Board pursuant to a resolution of our Board dated May 2, 2017, with effect from May 2, 2017 and was thereafter appointed as a Whole Time Director of our Company by a resolution passed at the Annual General Meeting of our Company held on June 6, 2017. Pursuant to the terms of his appointment, he is entitled to a gross remuneration of ₹ 22,20,600 per annum.

The table below sets out the present remuneration details of Shivanand Hegde:

Particulars	Details
Basic Salary	₹ 55,000 per month
HRA	₹ 22,000
Medical	₹ 1,250
Leave Travel Allowance	₹ 12,000
Conveyance	₹ 800
Other Allowance	₹ 94,000
Special Allowance	Leave travel allowance for self and family once in a year, as decided by the Board from time to time; Bonus for the financial year, at the discretion of the Company, with shareholder approval.
Perquisites	<ul style="list-style-type: none"> Reimbursement of expenses incurred by Shivanand Hegde in purchase of newspapers, magazines, books and periodicals in accordance with Company policy; Reimbursement of medical and hospitalization expenses of the Managing Director and his family subject to a ceiling of one month's salary in a year; Reimbursement of expenses incurred by him on account of business of the Company in accordance with Company policy; and Reimbursement of any other expenses properly incurred by him in accordance with rules and policies of the Company.
Other benefits	<ul style="list-style-type: none"> Personal accident insurance, Earned/Privileged leave, Gratuity Leave encashment Company car and telephone (including mobile)

Particulars	Details
	• Medical Reimbursement of actual expenses for self and family.

Mithun Jadhav

Mithun Jadhav was appointed as an Additional Director by our Board pursuant to a resolution of our Board dated August 13, 2018 and was thereafter appointed as a Whole Time Director of our Company by a resolution passed at the Annual General Meeting of our Company held on September 25, 2018. Pursuant to the terms of his appointment, he is entitled to a gross remuneration of ₹ 18,00,000 per annum.

The table below sets out the present remuneration details of Mithun Jadhav:

Particulars	Details
Basic Salary	₹ 80,000 per month
HRA	₹ 30,000
Conveyance	₹ 1,600
Medical claim	₹ 1,250
Other Allowance	₹ 35,950

The aggregate value of the remuneration paid to executive Directors in the Fiscal 2018 is as follows:

Sr. No.	Name of the Director	Remuneration
1.	Omkar Herlekar	38.50
2.	Sumant Kharasamble	8.04*
3.	Shivanand Hegde	22.21
4.	Mithun Jadhav	Nil**

(₹ in lakhs)

* Sumant Kharasamble has resigned from our Board with effect from June 16, 2018;

**Mithun Jadhav was appointed as a Whole Time Director to our Board with effect from August 13, 2018 and hence was not eligible for remuneration in Fiscal 2018.

Further, our Board or the Remuneration Committee may increase their remuneration in accordance with the limits prescribed for managerial remuneration under the Companies Act.

No portion of the compensation as mentioned above was paid pursuant to a bonus or profit sharing plan.

(ii) Remuneration details of our Non-Executive Directors and Independent Directors

Pursuant to a resolution of our Board dated May 2, 2017 our non-executive, independent Directors are entitled to receive sitting fees of ₹15,000 and reimbursement of travelling expenses on an actual basis for every Board or Committee meeting attended by them.

Below are the details of the sitting fees/ remuneration paid to our Non-Executive Directors and Independent Directors during Fiscal 2018:

Name of Director	Sitting Fees Paid
Ekta Gurnasinghani	1.35
Manali Bhagtani*	Nil
Hardesh Tolani	1.35
Ajay Sukhwani	0.75

(₹ in lakhs)

*Manali Bhagtani was appointed as an Independent Director on February 12, 2018 and had not attended any meetings in Fiscal 2018, hence, no sitting fees has been paid to her.

The Non- Executive Directors of our Company are not entitled to any other payment.

Shareholding of our Directors in our Company

As on the date of this Draft Letter of Offer, our Directors hold the following Equity Shares of our Company:

Sr. No.	Name of the Director	Number of Equity Shares held
1.	Omkar Herlekar	82,51,501* [^]
2.	Shivanand Hegde	1*

**1 Equity Share held by each of above as a nominee of Omkar Speciality Chemicals Limited;*

[^]3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

Confirmations

None of our Directors are or were directors of any listed companies on BSE or NSE, whose shares have been or were suspended from being traded, during the last five years prior to the date of this Draft Letter of Offer, during the term of his/her directorship in such company.

None of our Directors are or were directors on any listed companies which have been or were delisted from any stock exchange during the term of his/her directorship in such companies.

None of our Directors have been identified as willful defaulters, as defined under the SEBI ICDR Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation is pending against them.

Borrowing Powers of the Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013 and the resolution passed by the shareholders at the Annual General Meeting dated June 6, 2017 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies (Meetings of Board and its Powers), Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, our Board has been authorised to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, 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 purpose), subject to such aggregate borrowings not exceeding the amount which is ₹ 200 crores over and above 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 purpose). The Board is also authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

Further, pursuant to a resolution passed by the shareholders at the AGM of the Company held on June 6, 2017 and pursuant to the provisions of Section 180(1)(a) the Board of Directors is authorized to create charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the of the moveable and / or immovable properties, tangible or intangible assets of the Company in favour of the lenders, agents or trustees for securing borrowings availed or to be availed.

Bonus or profit sharing plan for the Directors

None of our Directors is a party to any bonus or profit sharing plan of our Company except those bonuses paid in ordinary course of business at par with all the employees of the company.

Service Contracts with Directors

Our Directors have not entered into any service contracts with our Company which provide for any benefit upon termination of their directorship.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our other Directors or Key Managerial Personnel has been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Interest of the Directors

Our Executive Directors may be deemed to be interested to the extent of reimbursement paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see “*Remuneration of our Executive Directors*”

Further, pursuant to a resolution of our Board dated May 2, 2017, our Non-executive Directors and Independent Directors are entitled to receive sitting fees for attending each meeting of our Board and Committee, details of which have been provided under “*Remuneration details of our Non-Executive Directors and Independent Directors*”

Our Directors may also be regarded as interested in the performance of our Company to the extent of Equity Shares held by them in our Company, details of which have been disclosed above under “*Shareholding of Directors in our Company*”. Our Directors may also be interested to the extent of Equity Shares, if any, held by the entities in which they are associated as Promoter, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as Promoter, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Further, our Directors may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of the present Issue. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in “*Related Party Transactions*” on page 161 of this Draft Letter of Offer and described herein our Directors do not have any other interest in our business.

Interest in the promotion of our Company

Except for Omkar Herlekar, Shivanand Hegde and Mithun Jadhav, who are the Executive Directors of our Company, our Directors have no interest in the promotion of our Company as of the date of this Draft Letter of Offer, except in the ordinary course of business.

Interest as to property

Our Directors have no interest in any property acquired by our Company within the two years preceding the date of this Draft Letter of Offer or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Changes in our Company’s Board of Directors during the last three years

The changes in our Board since incorporation in March, 2016, are as follows:

Name	Designation	Date of Appointment / change	Date of Cessation	Reason
Mithun Jadhav	Whole time Director	August 13, 2018	-	Appointment

Name	Designation	Date of Appointment / change	Date of Cessation	Reason
Sumant Kharasamble	Whole time Director	-	June 16, 2018	Cessation
Vishnu Gupta	Whole time Director	-	May 15, 2018	Appointment as Additional Director in the capacity of Whole Time Director was not ratified by the Shareholders by way of Postal Ballot/ E-voting.
Vishnu Gupta	Whole time Director	February 12, 2018	-	Appointment
Manali Bhagtani	Independent Director	February 12, 2018	-	Appointment
Shivanand Hegde	Whole Time Director	May 02, 2017	-	Appointment
Sumant Kharasamble	Whole Time Director	May 02, 2017	-	Appointment
Hardesh Tolani	Independent Director	May 02, 2017	-	Appointment
Ekta Gurnasinghani	Independent Director	May 02, 2017	-	Appointment
Ajay Sukhwani	Independent Director	May 02, 2017	-	Appointment
Pravin Herlekar	Non-Executive Director		May 02, 2017	Cessation
Rishikesh Herlekar	Non-Executive Director		May 02, 2017	Cessation
Pravin Herlekar	Non-Executive Director	March 11, 2016	-	Appointment
Rishikesh Herlekar	Non-Executive Director	March 11, 2016	-	Appointment
Omkar Herlekar	Non-Executive Director	March 11, 2016	-	Appointment

Loans to our Directors

Our Company has not granted any loans to the Directors.

Loan from our Directors

Except as disclosed below, our Company has not taken any loans from the Directors.

(₹ in lakhs)

Lender	Amount outstanding as on September 30, 2018
Omkar Herlekar	3,080.04

Corporate Governance

We are in compliance with the provisions of the SEBI Listing Regulations and the relevant provisions of the Companies Act, 2013 with respect to corporate governance, as well as the SEBI ICDR Regulations in respect of the constitution of the Board and the Committees thereof. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Our Board presently comprises of 7 (seven) directors of which 4 (four) are independent directors, 1 (one) is a Managing Director and Chairman, and 2 (two) are Whole Time - Directors.

Our Board of Directors includes Ekta Gurnasinghani and Manali Bhagtani as Women Directors.

Committees of our Board

Our Board of Directors presently has 8 (eight) committees which have been constituted in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders Relationship Committee;
- d. Corporate Social Responsibility (CSR) Committee;
- e. Allotment Committee;
- f. Enquiry Committee;
- g. Advisory Committee;
- h. Fund Raising Committee.

a. Audit Committee

Our Audit Committee was constituted pursuant to a resolution of our Board dated May 2, 2017 and reconstituted on August 13, 2018. Our Audit Committee comprises of the following members:

Name	Designation	Nature of Directorship
Hardesh Tolani	Chairman	Non-Executive – Independent Director
Ekta Gurnasinghani	Member	Non-Executive – Independent Director
Omkar Herlekar	Member	Executive Director

The Company Secretary shall act as the secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations, and its terms of reference include the following:

The terms of reference of the audit committee are broadly as under:

- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors’ report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director’s Responsibility Statement to be included in the board’s report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the

utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' reports thereon;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Establish a vigil mechanism for director and employment to report genuine concerns in such manner as may be prescribed;
- The audit committee may call for the comments of the auditor about internal control systems, the scope of the audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
- The audit committee may call for the comments of the auditor about internal control systems, the scope of the audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
- The audit committee shall review the information required as per SEBI Listing Regulation.
- The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.
- In terms of the Insiders Trading Code adopted by the company in FY 2016-17, the Committee considers the following matters:
 - To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code;
 - To note and take on records the status reports detailing the dealings by Designated Persons in Securities of the company, as submitted by the Compliance officer on a quarterly basis;
 - To provide directors on any penal action to be initiated, in case of any violation of the Regulations by any person.

b. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated May 2, 2017. Our Nomination and Remuneration Committee comprises the following members:

Name	Designation	Nature of Directorship
Hardesh Tolani	Chairman	Non-Executive – Independent Director
Ekta Gurnasinghani	Member	Non-Executive – Independent Director
Ajay Sukhwani	Member	Non-Executive – Independent Director

The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

The broad terms of reference of the nomination and Remuneration Committee are as under:

- Recommending to the board the set up and composition of the board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience;
- Recommending to the board the appointment or reappointment of directors;
- Devising a policy on board diversity;
- Recommending to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee);

- Carrying out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include "formulation of criteria for evaluation of independent directors and the board". Additionally, the Committee may also oversee performance review process of the KMP and executive terms of the Company;
- Recommending to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees;
- On an annual basis, recommending to the board the remuneration payable to the directors and oversee remuneration to executive team or key managerial personnel of the Company;
- Overseeing familiarization programmes for directors;
- Overseeing the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team);
- Providing guidelines for remuneration of directors on material subsidiaries.
- Recommending to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

c. Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was constituted and subsequently reconstituted pursuant to resolutions of our Board dated May 2, 2017 and August 13, 2018 respectively. Our Stakeholders Relationship Committee comprises of the following members:

Name	Designation	Nature of Directorship
Ajay Sukhwani	Chairperson	Non-Executive – Independent Director
Shivanand Hegde	Member	Executive Director
Mithun Jadhav	Member	Executive Director

The Company Secretary will act as secretary for the Committee.

The Stakeholders' relationship committee is constituted in line with the provision of Regulation 20 of SEBI Listing Regulation read with section 178 of the Act

The Broad terms of reference of the stakeholder relationship Committee are as under:

- Consider and resolve the grievances of security holders of the company including redressal of investor complaints such as transfers or credit securities, non- receipt of dividend/notice/annual reports, etc. And all other securities – holder related matters;
- Consider and approve issue of share certificates (included issues of renewed or duplicate share certificates), transfer and transmission of securities, etc.

d. Corporate Social Responsibility (CSR) Committee

Our Corporate Social Responsibility Committee was constituted and subsequently reconstituted pursuant to resolutions of our Board dated May 2, 2017 and August 13, 2018 respectively. Our Corporate Social Responsibility Committee comprises the following members:

Name	Designation	Nature of Directorship
Ajay Sukhwani	Chairperson	Non-Executive – Independent Director
Omkar Herlekar	Member	Executive Director
Mithun Jadhav	Member	Executive Director
Manali Bhagtani	Member	Non-Executive – Independent Director

The Company Secretary will act as secretary for the Committee.

The CSR Committee of our Board is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The broad terms of reference of CSR committee are as follows:

- Formulate and recommend to the board, a CSR Policy indicating to be undertaken by the Company as specified in schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;

e. Allotment Committee

Our Allotment Committee was constituted and subsequently reconstituted pursuant to resolutions of our Board dated May 2, 2017 and August 13, 2018 respectively. Our Allotment Committee comprises of the following members:

Name	Designation	Nature of Directorship
Omkar Herlekar	Chairman	Managing Director
Shivanand Hegde	Member	Whole time Director
Mithun Jadhav	Member	Whole time Director

The Company Secretary will act as secretary for the Committee.

f. Enquiry Committee

Our Enquiry Committee was constituted pursuant to a resolution of our Board dated July 12, 2017. Our Enquiry Committee comprises the following members:

Name	Designation	Nature of Directorship
Omkar Herlekar	Chairperson	Managing Director
Ajay Sukhwani	Member	Non-Executive Independent Director
Shivanand Hegde	Member	Whole time Director

The Enquiry Committee has been constituted to investigate complaints and grievances as may be raised against any personnel of the Company which also includes Board of Directors, KMPs and other designated employees. The Committee, after proper examination of the matter, shall prepare the enquiry report and submit the same to the Management.

g. Advisory Committee

Our Advisory Committee was constituted pursuant to a resolution of our Board dated January 6, 2018. Our Advisory Committee comprises the following members:

Name	Designation	Nature of Directorship
Omkar Herlekar	Chairperson	Managing Director
Shivanand Hegde	Member	Whole time Director
Hardesh Tolani	Member	Non - Executive Independent Director

The Company Secretary will act as secretary for the Committee.

The Advisory Committee of our Board was constituted to facilitate the Company in taking decisions with regards to the fulfillment of short term financial needs of the Company by availing TOD facility or through any other mode as may be deemed necessary.

The committee shall also facilitate the company in taking decisions with regards to opening of bank account, availing internet banking facilities etc.

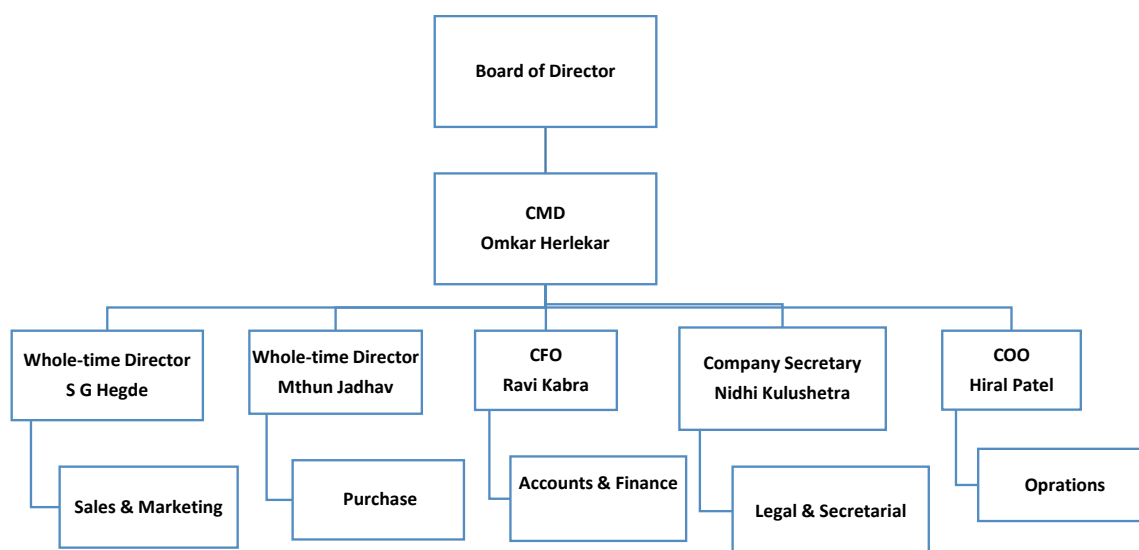
h. Fund Raising Committee

Our Fund Raising Committee was constituted pursuant to a resolution of our Board dated January 6, 2018. Our Fund Raising Committee comprises the following members:

Name	Designation	Nature of Directorship
Omkar Herlekar	Chairperson	Managing Director
Shivanand Hegde	Member	Whole time Director
Hardesh Tolani	Member	Non - Executive Independent Director

The Company Secretary will act as secretary for the Committee.

Management Organization Structure



Key Management Personnel

In addition to Omkar Herlekar, Shivanand Hegde and Mithun Jadhav, whose details have been provided under the “*Brief Profile of our Directors*”, the details of our other Key Management Personnel are as follows:

Ravishankar Kabra, aged 57 Years, is the Chief Financial Officer of our Company. He holds a Bachelor’s degree in Commerce from Allahabad University and Master’s degree in business administration in finance and logistics management from National Institute of Management, Mumbai. He has over 33 years of experience in the field of accounts and finance and is currently responsible for accounting and financial matters. Prior to joining our Company, he has worked with Roy Electronic Controls Private Limited, Shree Shyam Silk Mills, ACI Infotech Limited., Najabhai Jewellers, ADD Corporation Limited, Donear Industries Limited, Overnight Express Limited, and First Flight Couriers Limited. He was appointed on August 13, 2018 and hence was not eligible for remuneration in Fiscal 2018.

Nidhi Kulshreshtha, aged 28 years, is the Company Secretary and Compliance Officer of our Company. She is a member of Institute of Company Secretaries of India and holds a degree of Bachelor of Commerce (B.com) from University of Delhi. She has over 5 years of experience in the field of Compliance, Corporate Law. Her work experience includes working as an Associate Partner in Central Registration Centre (ROC) Ministry of Corporate Affairs, Manesar and Assistant Executive in V Prakash & Associates, Chartered Accountant Firm, Delhi.

She was appointed by a resolution of our Board of Directors at Board Meeting dated June 16, 2018 as Company Secretary, Compliance Officer and accordingly, was not eligible for remuneration in Fiscal 2018.

All the above Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Management Personnel with our Directors, Promoter and / or other Key Management Personnel

None of the Key Management Personnel of our Company are related to each other or to our Promoter or Directors.

Contingent and deferred compensation payable to Key Management Personnel

With respect to our Key Management Personnel, there is no contingent or deferred payment accrued for Fiscal 2018.

Shareholding of the Key Management Personnel

As on date of this Draft Letter of Offer, our Key Management Personnel hold the following Equity Shares of our Company:

Sr. No.	Name	Number of Equity Shares held
1.	Omkar Herlekar	82,51,501* [^]
2.	Shivanand Hegde	1*

*1 Equity Share held as a nominee of Omkar Speciality Chemicals Limited.

[^]3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.

Interest of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding and remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. All our Key Management Personnel may also be deemed to be interested to the extent of Equity Shares, if any, that may be subscribed for and Allotted to them, out of the present Issue in terms of this Draft Letter of Offer, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Changes in Key Management Personnel

Name	Designation	Date of Appointment	Date of Cessation	Reason
Ravishankar Kabra	Chief Financial Officer	August 13, 2018	-	Appointment
Mithun Jadhav	Whole-time Director	August 13, 2018	-	Appointment
Nidhi Kulshreshtha	Company Secretary and Compliance Officer	June 16, 2018	-	Appointment
Hitesh Wadhvani	Company Secretary	May 2, 2017	June 16, 2018	Appointment and Resignation
Sumant Kharasamble	Whole Time Director	May 2, 2017	June 16, 2018	Appointment and Resignation
Vishnu Gupta	Additional Director	February 12, 2018	May 15, 2018	Appointment as an Additional Director in the capacity of Whole Time Director was not ratified by shareholders through postal ballot/ e-voting.

Name	Designation	Date of Appointment	Date of Cessation	of	Reason
Minesh Bhosle	Chief Financial Officer	May 2, 2017	January 31, 2018		Appointment and Resignation

Bonus or profit sharing plan for Key Management Personnel

Our Company does not have a performance linked bonus or profit sharing plan for the Key Management Personnel as on date of this Draft Letter of Offer.

Loans taken by our Key Management Personnel

Our Company has not granted any loans to our Key Management Personnel.

Employees Stock Option Scheme or Employees Stock Purchase Scheme

As on date of this Draft Letter of Offer, our Company does not have any employees stock option scheme or any employees stock purchase scheme.

Payment of non-salary related benefits to Officers of our Company

Except as disclosed in this Draft Letter of Offer, other than statutory payments and remuneration, in the last two years our Company has not paid or intended to pay any non-salary amount or benefit to any of its officers.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service Contracts with Key Management Personnel

Except for terms set forth in the appointment letters, our Key Management Personnel have not entered into any other contractual arrangements with our Company.

Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Management Personnel, is entitled to any benefit upon termination of employment.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Omkar Herlekar, is the Promoter of our Company. As on the date of this Draft Letter of Offer, he holds 82,51,501 Equity Shares* equivalent to 36.09% of the issued, subscribed and paid-up Equity Share capital of our Company.

**Wherein 3,42,000 Shares held by Omkar Herlekar in our Company are under encumbrance with Vivid Finance and Holdings Private Limited. Omkar Herlekar has initiated criminal proceedings to recover 3,42,000 shares that are wrongfully encumbered with Vivid Finance and Holdings Private Limited. Hence, they do not reflect in his beneficiary position, but have been considered above. For details, please see "Criminal proceedings initiated by our Directors" on page 233 of this Draft Letter of Offer.*

Details of our Promoter



Omkar Herlekar

Omkar Herlekar, aged 37 years, is the Chairman and Managing Director of our Company. For further details, see "*Our Management*" on page 136 of this Draft Letter of Offer.

Driving License number: MH05 20073014012

Voter's Identification Number: Not available

Our Company confirms that the permanent account number, bank account numbers and the passport number of our Promoter will be submitted to the Stock Exchanges on which the securities of our Company being issued in this Draft Letter of Offer are proposed to be listed.

Other Ventures

Except as disclosed in "*Our Management – Other Directorships*", our Promoter is not a partner, Director or member of any other venture or company.

Change in the management and control of our Company

There has been no change in the management and control of our Company. However, pursuant to a resolution of our Board dated January 6, 2018 and a resolution of our shareholders passed at the Extra-Ordinary General Meeting dated February 7, 2018, the following persons/entities have been re-classified from the 'Promoter and Promoter Group category' to the 'Public category':

1. Pravin Herlekar;
2. Rishikesh Herlekar;
3. Omkar Speciality Chemicals Limited; and
4. Svaks Biotech India Private Limited.

An application dated March 15, 2018 was made to the stock exchanges for the aforementioned re-classification, which was approved by the stock exchanges vide letter number LIST/COMP/MI/7/2018-19 dated April 16, 2018 issued by the BSE Limited, and vide letter number NSE/LIST/44127 dated April 16, 2018 issued by the National Stock Exchange of India Limited.

Disassociation by our Promoter in the last three years

Except as disclosed below, our Promoter has not disassociated himself from any venture during the three years preceding the date of filing of this Draft Letter of Offer:

Sr. No.	Name of the Company	Date of disassociation	Reason for disassociation
1.	Omkar Speciality Chemicals Limited	July 26, 2018 ^{*^}	Arrangement pursuant to the Composite Scheme of Arrangement
2.	Svaks Biotech India Private Limited	July 22, 2017	Arrangement pursuant to the Composite Scheme of Arrangement

^{*}NSE vide letter dated July 26, 2018 has given approval to an application made by OSCL on April 10, 2018 for reclassification of Omkar Herlekar as the promoter of OSCL to public category, in accordance with the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

[^]BSE Limited vide letter dated July 26, 2018 has given approval to an application made by OSCL on April 9, 2018 for reclassification of Omkar Herlekar as the promoter of OSCL to public category, in accordance with the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Interest of our Promoter

Interest of Promoter in promotion of our Company

Except for in the ordinary course of business, our Promoter is not interested in any other way in the promotion of our Company. Our Promoter may be deemed to be interested in our Company to the extent he has promoted our Company and to the extent of his shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by him. As on the date of this Draft Letter of Offer, our Promoter holds 82,51,501 shares in the Company. For further details regarding the shareholding of our Promoter in our Company, see “*Capital Structure*” on page 54 of this Draft Letter of Offer.

Interest of Promoter in our Company other than as Promoter

Other than as disclosed in “*Related Party Transactions*” on page 161 of this Draft Letter of Offer, our Promoter does not have any interest in our Company other than as a Promoter, in the ordinary course of business.

Interest of Promoter in property of our Company

Our Promoter has no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Letter of Offer, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Unsecured loans given to our Company

Details of unsecured loans given to our Company by our Promoter, Omkar Herlekar are set out below:

Name of the Lender	Amount outstanding as on September 30, 2018 (₹ in lakhs)
Omkar Herlekar	3,080.04

Payment of benefits to our Promoter or our Promoter Group

Except as stated in the “*Related Party Transactions*” and “*Our Management*” on pages 161 and 136 respectively, of this Draft Letter of Offer neither has there been any payment of benefits to our Promoter or Promoter Group during the two years preceding the filing of this Draft Letter of Offer, nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Letter of Offer.

Except as stated in the “*Related Party Transactions*”, “*History and Certain Corporate Matters*”, and “*Our Management*” on pages 161, 131 and 136, respectively, of this Draft Letter of Offer, our Company has not entered into any contract, agreements or arrangements during the two years preceding the date of this Draft Letter of Offer nor does our Company propose to enter into any such contract in which our Promoter are directly or indirectly

interested and no payments have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made with.

Litigation involving our Promoter

For details of legal and regulatory proceedings involving our Promoter, see “*Outstanding Litigations and Material Developments*” on page 231 of this Draft Letter of Offer.

Related Party Transactions

For details of related party transactions entered into by our Promoter, Promoter Group and Company during the last Financial Year, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page 161 of this Draft Letter of Offer.

Confirmations

Our Promoter and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoter, relatives of our Promoter and members of our Promoter Group have not been declared as Wilful Defaulters as defined under the SEBI ICDR Regulations.

Our Promoter is not and has 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.

Sick Company

No winding up proceedings have been initiated against any of our Promoter Group Entities. Neither of our Promoter Group Companies have become defunct in the five years preceding the date of this Draft Letter of Offer.

Our Promoter Group

Our Promoter Group shall comprise of following persons and entities forming part of our Promoter Group in terms of the Regulation 2(1)(zb) of the ICDR Regulations and persons and entities as disclosed to the stock exchanges under Regulations 31 of the SEBI Listing Regulations in filing made by our Company:

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoter) are as follows:

Relationship with our Promoter	Omkar Herlekar
Father	-
Mother	Anjali Herlekar
Brother	-
Sister	-
Spouse	Anusaya Herlekar
Son	Animesh Herlekar
Spouse's Father	-
Spouse's Mother	-
Spouse's Brother	Amit Khamunkar
Spouse's Sister	-

Further, Pursuant to a resolution of our Board dated January 6, 2018 and a resolution of our shareholders passed at the Extra-Ordinary General Meeting dated February 7, 2018, the following persons/entities have been re-classified from the 'Promoter and Promoter Group category' to the 'Public category':

1. Pravin Herlekar;
2. Rishikesh Herlekar;
3. Omkar Speciality Chemicals Limited; and
4. Svaks Biotech India Private Limited.

An application dated March 15, 2018 was made to the stock exchanges for the aforementioned re-classification, which was approved by the stock exchanges vide letter number LIST/COMP/MI/7/2018-19 dated April 16, 2018 issued by the BSE Limited, and vide letter number NSE/LIST/44127 dated April 16, 2018 issued by the National Stock Exchange of India Limited.

Entities forming part of the Promoter Group

As per the definition of "Promoter Group" under Section 2(1)(zb)(iv)(A) of the SEBI ICDR Regulations, the following entities form part of our Promoter Group:

(a) Harishree Aromatics and Chemicals Private Limited. ("Harishree")

Our Promoter is a Promoter and Director of Harishree and holds 3,17,500 Equity Shares aggregating to 96.21% of the Equity Share Capital of Harishree. For details on Harishree, see "*Our Group Companies*" on page 157 of this Draft Letter of Offer.

(b) Amarnath Securities Limited ("Amarnath")

Our Promoter is a Promoter and Director of Amarnath, and holds 14,61,824 Equity Shares aggregating to 48.72% of the Equity Share Capital of Amarnath. For details on Amarnath, see "*Our Group Companies*" on page 157 of this Draft Letter of Offer.

Shareholding of the Promoter Group in our Company

For details in relation to the shareholding of our Promoter and Promoter Group as on the date of this Draft Letter of Offer, see "*Capital Structure – Shareholding of our Promoter and other members of our Promoter Group*" on page 60 of this Draft Letter of Offer.

Other Confirmations

Our Promoter and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoter and members of our Promoter Group have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations.

Our Promoter is not and has 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.

Common Pursuits

Harishree Aromatics and Chemicals Private Limited, one of our Group Companies is authorized to carry out business similar to ours, which is, business of manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals etc. As on the date of this Draft Letter of Offer, Harishree is engaged in the business

of trading and manufacturing a product called 'Halquinol N-1' alone, on job work basis for our Company which is used by us as a raw material.

Except as disclosed above, our Promoter is not involved in any venture that is in the same line of activity or business as us.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, for the purpose of identification of “group companies” in relation to the disclosure in offer documents, our Company has considered:

- companies covered under applicable accounting standards (i.e., companies disclosed as related parties in accordance with Indian Accounting Standard 24 issued by the MCA) as per the Restated Audited Financial Information; and
- other companies that are considered material by our Board pursuant to the materiality policy adopted by our Company by a board resolution dated August 13, 2018.

A company has been considered material by the Board, if:

- a. such companies are identified as ‘related parties’ in accordance with Accounting Standard Ind AS 24 issued by the Institute of Chartered Accountants of India in the financial years ended March 31, 2016, March 31, 2017, March 31, 2018 and for the period ended June 30, 2018 (“Restated Financial Information”) of our Company;
- b. such company is a member of the promoter group and the Company has entered into one or more transactions with such company in any of the last three financial years/periods, or the relevant interim period (in respect of which financial statements are included in this Draft Letter of Offer or Letter of Offer), cumulatively exceeding 10% of the total consolidated revenue of the Company for the relevant financial year / the interim period during which the transaction(s) was / were undertaken.

Based on the above, the following are the Group Companies of our Company:

Sr. No.	Name of Group Company
a.	Harishree Aromatics and Chemicals Private Limited and
b.	Amarnath Securities Limited

Shareholding of Promoter or Promoter Group in the Group Companies

The following table sets out the shareholding of our Promoter in our Group Companies as on date of this Draft Letter of Offer:

Name of the Company	Shareholding of Omkar Herlekar
Harishree Aromatics and Chemicals Private Limited	96.21%
Amarnath Securities Limited	48.72%

Set forth below are the details of our Group Companies as on the date of this Draft Letter of Offer:

1. Harishree Aromatics and Chemicals Private Limited (“Harishree”)

Corporate Information

Harishree was incorporated on August 28, 1998 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Harishree is authorized to carry out business similar to ours, which is, business of manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals etc. As on the date of this Draft Letter of Offer, Harishree is engaged in the business of trading and manufacturing a product called ‘Halquinol N-1’ alone, on job work basis for our Company which is used by us as a raw material.

Interest of our Promoter

Omkar Herlekar is a Promoter and Director of Harishree and presently holds 3,17,500 Equity Shares of Harishree, aggregating to 96.21% of the issued and paid-up equity share capital of Harishree.

Financial Information

Set forth is the financial information of Harishree based on its audited financial statements for the last three Fiscal Years:

Particulars	<i>(in ₹)</i>		
	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	33,00,000	25,00,000	25,00,000
Reserves and Surplus (excluding revaluation reserves)	(1,55,54,920)	(1,68,49,950)	(,159,11,851)
Total Revenue	72,72,25,443	18,46,31,691	16,92,386
Profit (Loss) after Tax	12,95,031	(9,38,099)	(2,72,776)
Basic EPS	3.92	(3.75)	(1.09)
Net Asset Value per equity share	37.13	(57.40)	(53.65)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

2. Amarnath Securities Limited (“Amarnath”)

Corporate Information

Amarnath was incorporated on October 12, 1994 as a private limited company under the provisions of the Companies Act, 1956, with the Registrar of Companies, Gujarat. Subsequently, the name was changed to Amarnath Securities Limited on February 10, 1995 and a certificate of incorporation pursuant to change of name was issued by the Registrar of Companies, Gujarat. Amarnath is engaged in the business of hire-purchase, leasing and financing lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment.

Interest of our Promoter

Omkar Herlekar is a Promoter and Director of Amarnath and presently holds 14,61,824 Equity Shares of Amarnath, aggregating to 48.72% of its issued and paid-up equity share capital.

Financial Information

Set forth is the financial information of Amarnath based on its audited financial statements for the last three Fiscal Years:

Particulars	<i>(In ₹)</i>		
	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	3,00,02,000	3,00,02,000	3,00,02,000
Reserves and Surplus (excluding revaluation reserves)	63,67,230	34,45,900	22,33,896
Total Revenue	54,35,031	34,25,195	37,69,604
Profit (Loss) after Tax	29,21,330	12,12,004	9,32,071
Basic EPS	0.97	0.40	0.31
Diluted EPS	0.97	0.40	0.31
Net Asset Value per equity share	12.12	11.15	10.74

There are no significant notes of the auditors in relation to the aforementioned financial statements.

The Equity Shares of Amarnath are currently listed on BSE.

Share price information

The following table sets forth details of the highest and lowest price on BSE during the preceding six months:

Month	Monthly High	Monthly Low
September 2018*	0.00	0.00
August 2018	42.00	41.00
July 2018	45.00	43.10
June 2018	45.45	40.95
May 2018	39.00	39.00
April 2018	39.00	38.70

Note: *There was no trading of Equity Shares of Amarnath in the month of September, 2018.

Source: www.bseindia.com

The closing equity share price of Amarnath as on October 17, 2018 on BSE was ₹ 39.20.

The market capitalization of Amarnath as of October 17, 2018 on BSE was ₹ 1,176.00 lakhs.

There has been no change in the capital structure of the Amarnath in the last six months from the date of filing of this Draft Letter of Offer.

Mechanism for redressal of investor grievance

The board of directors of Amarnath have constituted a stakeholders' relationship committee in accordance with the SEBI Listing Regulations to look into the redressal of shareholder/investor complaints. It normally takes seven to nine days to dispose various types of investor grievances. In the past three years, Amarnath has not received any investor complaints that are left unresolved.

Investor grievance

As of September 30, 2018, there were no investor complaints pending against Amarnath.

Interest of Group Companies in our Company

(a) Business interests

None of our Group Companies have any interest in the promotion of any business interest or other interest in our Company.

(b) In the properties acquired by our Company in the two years preceding the date of filing of this Draft Letter of Offer or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Letter of Offer.

(c) In the transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies with our Company

Harishree Aromatics and Chemicals Private Limited is authorized to carry out business similar to ours, which is, business of manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals etc. As on the date of this Draft Letter of Offer, Harishree is engaged in the business of trading and manufacturing a product called 'Halquinol N-1' alone, on job work basis for our Company which is used by us as a raw material.

Except as disclosed above, as on the date of this Draft Letter of Offer, there are no common pursuits and conflicts of interest between our Group Company and our Company.

Related business transactions with our Group Companies and significance on the financial performance of our Company

For information on related business transactions with our Group Companies, see “*Related Party Transactions*” on page 161 of this Draft Letter of Offer.

Sale/ purchase between our Group Companies and our Company.

Our Group Companies are not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Defunct Group Company

Our Group Companies are not defunct and no application has been made to the Registrar of Companies for striking off the name of our Group Companies during the five years preceding the date of filing of this Draft Letter of Offer with SEBI.

Sick Group Company

Our Group Companies are not sick industrial companies under the erstwhile SICA, nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up proceedings or insolvency or bankruptcy proceedings have been initiated against our Group Companies.

Other confirmations

Further, our Group Companies have not been debarred from accessing the capital market for any reasons by SEBI or any other authorities nor have they been identified as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “*Financial Statements*”, beginning on page 163 of this Draft Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy. The Board may also from time to time pay interim dividend.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” on page 226 of this Draft Letter of Offer.

Our Company has not declared any dividend since incorporation.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Details
1.	Restated Financial Statements

Auditor's Report on the Restated Summary Statements of Assets and Liabilities as at June 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016, Profits and Losses, Statement of Changes in Equity and Cash Flows for the period ended June 30, 2018, year ended March 31, 2018, March 31, 2017 and March 31 2016 of Lasa Supergenics Limited (collectively, the "Restated Summary Statements")

To
The Board of Directors
Lasa Supergenics Limited
C-105, MIDC, Mahad,
Raigarh – 402301
Maharashtra, India

Dear Sirs,

1. We have examined the attached Restated Summary Statements of Lasa Supergenics Limited (the "Company") as at June 30, 2018, March 31, 2018, March 31, 2017, and March, 2016, annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Letter of Offer (referred to as "DLOF") in connection with its proposed offering of equity shares on Rights basis ("Rights Issue"). The Restated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
 - a) Sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
 - b) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Management's Responsibility for the Restated Summary Statements

2. The preparation of the Restated Summary Statement, which are to be included in the DLOF, is the responsibility of the Management of the Company for the purpose set out in Para 14 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors Responsibilities

3. We have examined such Restated Summary Statements taking into consideration:
 - a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated February 19, 2018, requesting us to carry out the assignment, in connection with its proposed Rights Issue of the equity shares of the Company;
 - b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and
 - c) The requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the Rights Issue.
4. The Company proposes to make a Rights Issue which comprises of issue of equity shares of Rs. 10/- each on rights basis, at such premium, as may be decided by the Board of Directors of the Company.

Restated Summary Statements as per audited financial statements:

5. The Restated Summary Statements have been prepared under Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 read with Section 133 of the Companies Act 2013 and have been compiled by the management from:
 - a) The audited financial statements of the Company, prepared in accordance with Ind-AS for the quarter ended which have been approved by the Board of Directors at their meeting held on September 27, 2018 for the quarter ended June 30, 2018.
 - b) The audited financial statements of the Company, prepared in accordance with Ind-AS for the year ended which have been approved by the Board of Directors at their meeting held on May 28, 2018 for the year ended March 31, 2018.
 - c) The audited financial statements for the year ended March 31, 2017, prepared in accordance with accounting principles generally accepted in India (“Indian GAAP”) at the relevant time, which have been approved by the Board of Directors at their meeting, held on May 5, 2017; and
 - d) The audited financial statements for year ended March 31, 2016, prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meeting, held on May 16, 2016.
6. For the purpose of our examination, we have relied on Auditors’ reports issued by M/s Shah and Kathariya, Chartered Accountants, dated May 5, 2017, and May 16, 2016 on the financial statements of the Company as at and for the year ended March 31, 2017 and March 31, 2016, respectively, Also on the financial statements of the Company issued by us for the year ended March 31, 2018 as referred in Para 5 above.
7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Summary Statements which, as stated in Para 2A of Annexure V to this report, have been arrived after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Restated Summary Statement of Material Adjustments, read with Para 10 and Para 11 below:
 - a) The Restated Summary Statement of Assets and Liabilities of the Company as at June 30, 2018 March 31, 2018, March 31, 2017 and March 31, 2016, as set out in Annexure I to this report,
 - b) The Restated Summary Statement of Profit and Loss of the Company for the period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016, as set out in Annexure II to this report,
 - c) The Restated Summary Statement of Cash Flows of the Company for the period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016, as set out in Annexure III to this report,
 - d) The Restated Summary Statement of Change in Equity of the Company for the period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016, as set out in Annexure IV to this report,
 - e) Based on the above and according to the information and explanations given to us, we further report that:
 - i) Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial year/ periods to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - ii) Restated Summary Statements have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year/ periods to which they relate;
 - iii) Restated Summary Statements do not contain any extra-ordinary items that needs to be disclosed separately in the Restated Summary Statements;
 - iv) There are no qualifications in the auditor’s report on the audited financial statements of the Company as at and for the period ended and for the year ended June 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 which require any adjustments to the Restated Summary Statements.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to June 30, 2018. Accordingly, we express no opinion on the financial position, results of operations, and changes in equity or cash flows of the company as of any date subsequent to June 30, 2018.

Other Financial Information:

9. At the Company's request, we have also examined the following restated financial information proposed to be included in the DLOF prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016:
 - i) Restated Statement of Material Adjustments and Regroupings, as Annexure VI,
 - ii) Restated Statement of Accounting Ratios, as Annexure VII,
 - iii) Capitalisation Statement, as Annexure VIII,
 - iv) Restated Statement of Tax Shelters, as Annexure IX
10. According to the information and explanations given to us, in our opinion, the restated summary statements and the above mentioned restated financial information contained in Annexures VI to IX accompanying this report, read with summary of significant accounting policies disclosed in Para 2 of Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.
11. According to information and explanations given to us in our opinion, the IND AS Restated Summary Statements of the Company for the period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016, read with summary of accounting policies disclosed in Annexure V are prepared after making adjustments as mentioned in Para 2A of Annexure V and have been prepared in accordance with the Rules, ICDR Regulations and the Guidance Note.
12. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by the previous auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of report.
14. Our report is intended solely for use of the management of the Company for inclusion in the 'DLOF' to be filed with Securities and Exchange Board of India (SEBI), BSE Limited and National Stock Exchange (NSE) in connection with the proposed Rights Issue of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For, Thanawala & Co.
Chartered Accountants
Firm Registration No: 110948W

CA Vijay Thanawala
(Proprietor)
Membership No.: 15632

Place: Mumbai
Date : 08th October, 2018

Annexure I
LASA SUPERGENERICS LIMITED
CIN : L24233MH2016PLC274202
Restated Summary Statement of Assets & Liabilities

(Rs. In Lakhs)

Particulars	Notes of Annexure V	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
ASSETS					
Non-current assets					
Property, Plant and Equipment	3	16,725.81	16,364.77	11,285.57	10,434.40
Capital Work in Progress	3	695.79	698.78	2,933.59	4,384.78
Intangible assets	3	599.39	599.39	597.76	597.76
Intangible assets under development	3	25.10	25.10	17.14	17.14
<u>Financial Assets</u>					
Non Current Investments	4	0.10	0.10	0.10	0.10
Loans	5	72.41	71.81	49.81	61.62
Other non-current assets	6	-	-	-	-
		18,118.60	17,759.95	14,883.97	15,495.80
Current assets					
Inventories	7	3,994.94	4,223.45	3,345.85	1,982.18
<u>Financial Assets</u>					
Trade receivables	8	2,298.41	4,215.11	3,497.05	2,099.51
Cash and cash equivalents	9	205.50	49.69	14.21	270.74
Bank balances other than cash & cash equivalents	10	216.84	213.79	102.02	91.69
Loans	11	5.60	5.60	-	-
Other current assets	12	2,147.79	2,210.44	981.57	1,299.64
		8,869.08	10,918.09	7,940.69	5,743.77
TOTAL ASSETS					
		26,987.68	28,678.04	22,824.66	21,239.56
EQUITY AND LIABILITIES					
EQUITY					
Equity Share capital	13	2,286.44	2,286.44	5.00	5.00
Equity - Pending Allotment	14	-	-	2,057.80	2,057.80
Other Equity	14	9,271.53	9,459.61	5,529.40	5,296.03
		11,557.97	11,746.06	7,592.20	7,358.83
LIABILITIES					
Non-current liabilities					
<u>Financial Liabilities</u>					
Non Current Borrowings	15	6,417.04	6,026.99	8,068.03	7,449.68
Provisions	16	25.35	23.75	13.57	8.09
Deferred Tax Liabilities / (Asset)	17	7.13	36.70	109.61	161.90
		6,449.52	6,087.44	8,191.21	7,619.67
<u>Current liabilities</u>					
Financial Liabilities					
Current Borrowings	18	2,339.25	2,983.04	2,318.51	1,763.65
Trade payables	19	3,484.53	4,793.52	2,538.40	3,189.96
Other financial liabilities	20	1,882.50	1,711.89	1,228.46	421.28
Other current liabilities	21	711.37	815.33	496.15	573.75
Provisions	22	151.41	129.31	210.88	62.45
Current tax liabilities (net)	23	411.11	411.44	248.85	249.97
		8,980.17	10,844.53	7,041.25	6,261.06
TOTAL LIABILITIES					
		15,429.69	16,931.97	15,232.45	13,880.73
TOTAL EQUITY AND LIABILITIES					
		26,987.68	28,678.04	22,824.66	21,239.56

For Thanawala & Co.
Chartered Accountants
Firm Registration No.: 110948W

For Lasa Supergenerics Limited

CA Vijay Thanawala
(Proprietor)
M.No.: 15632

Omkar Herlekar
(Chairman & Managing Director)
DIN:01587154

Mithun Jadhav
(Whole Time Director)
DIN:08181048

Place : Mumbai
Date: 8th October, 2018

Nidhi Kulshrestha
(Company Secretary)

Ravi Shankar Kabra
(Chief Financial Officer)

Annexure II
LASA SUPERGENERICS LIMITED
CIN : L24233MH2016PLC274202
Restated Summary of Profit and Loss for the period

(Rs. In Lakhs)

Particulars	Notes of Annexure V	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
INCOME					
Revenue from operations	24	3,292.06	24,583.88	21,822.92	16,906.53
Other income	25	101.89	348.66	217.41	67.07
Total income		3,393.95	24,932.54	22,040.33	16,973.60
EXPENSES					
Cost of materials consumed	26	1,701.12	17,205.86	14,167.04	10,860.31
Cost of Traded Goods		599.79	-	-	-
Changes in inventories of finished goods, work in process and stock in trade	27	(184.29)	(55.34)	(1,078.36)	(1,367.91)
Excise Duty		-	231.29	1,947.79	2,159.90
Employee benefits expense	28	268.22	1,027.09	955.38	562.92
Finance costs	29	360.97	1,134.35	1,167.72	1,116.74
Depreciation and amortisation expense		480.13	1,816.66	768.81	517.05
Other expenses	30	385.65	2,049.30	1,278.51	1,115.61
Total expenses		3,611.59	23,409.21	19,206.88	14,964.62
Profit / (Loss) before Exceptional items & tax		(217.64)	1,523.33	2,833.45	2,008.97
Exceptional Items	31	-	-	2,619.10	1,874.17
Profit / (Loss) before tax		(217.64)	1,523.33	214.35	134.81
Tax expenses					
- Current tax		-	392.31	32.05	18.51
- MAT (Entitlement)	17	-	(493.91)	(31.72)	(15.29)
- (Excess)/Short Tax provision for earlier years		-	-	-	34.49
- Deferred tax	17	(29.56)	421.54	(20.57)	354.77
Total tax expense		(29.56)	319.94	(20.24)	392.48
Profit / (loss) for the year		(188.08)	1,203.39	234.59	(257.67)
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of employee defined benefit obligation loss		-	(2.16)	(1.64)	-
		-	0.56	0.42	-
		-	(1.61)	(1.21)	-
Total comprehensive income for the year		(188.08)	1,201.78	233.38	(257.67)
Earning per equity shares (Nominal Value of share Rs.10/-)	32				
Basic (Rs.)		(0.82)	5.29	1.14	(1.25)
Diluted (Rs.)		(0.82)	5.29	1.14	(1.25)

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Financial Statement appearing in Annexure VI

For Thanawala & Co.
Chartered Accountants
Firm Registration No.: 110948W

For Lasa Supergenerics Limited

CA Vijay Thanawala
(Proprietor)
M.No.: 15632

Omkar Herlekar
(Chairman & Managing Director)
DIN:01587154

Mithun Jadhav
(Whole Time Director)
DIN:08181048

Place : Mumbai
Date: 8th October,2018

Nidhi Kulshrestha
(Company Secretary)

Ravi Shankar Kabra
(Chief Financial Officer)

Annexure III				
LASA SUPERGENERICS LIMITED				
CIN : L24233MH2016PLC274202				
Restated Summary Statement of Cash flows for the period				
(Rs in lakhs)				
Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net (loss) / profit before tax	(217.64)	1,523.33	214.35	134.81
Adjustments for				
Depreciation and Amortisation Expense	480.13	1,816.66	768.81	517.05
Finance Costs	269.34	797.63	980.66	1,094.69
Interest Expense on amortisation of financial liability	91.63	336.72	187.06	22.04
Interest Income	(3.37)	(9.51)	(27.18)	(10.17)
Remeasurement of employee defined benefit obligation	-	(2.16)	(1.21)	-
Interest income on amortisation of financial asset	(97.97)	(330.45)	(190.23)	(22.75)
Unwinding of financial instruments	(0.40)	(1.40)	-	-
Provision for doubtful debts and advances (net)	-	-	15.00	35.00
Operating profit before working capital changes	521.72	4,130.82	1,947.25	1,770.66
Working capital adjustments :-				
(Increase) / Decrease in Trade and Other Receivables	1,916.70	(718.06)	(1,412.54)	(2,134.51)
(Increase) / Decrease in Inventories	228.51	(877.61)	(1,363.66)	(1,982.18)
(Increase) / Decrease in Loans	(0.20)	(26.21)	11.81	(61.62)
(Increase) / Decrease in Other Current Assets	62.65	(1,228.88)	318.07	(1,299.64)
Increase / (Decrease) in Trade and Other Payables	(1,308.99)	2,255.12	(651.56)	3,189.96
Increase / (Decrease) in Provisions	23.70	(71.39)	153.91	70.54
Increase / (Decrease) in Other Financial Liabilities	170.61	483.42	807.19	421.28
Increase / (Decrease) in Other Current Liabilities	(103.96)	319.19	(77.60)	573.75
Cash generated from / (used in) operations	1,510.76	4,266.42	(267.14)	548.24
Direct taxes paid (Net of Refunds)	0.34	229.74	33.16	(19.39)
Net cash (used in) / from generated from operating activities	1,510.41	4,036.68	(300.30)	567.62
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances)	(838.18)	(4,670.64)	(168.78)	(15,951.13)
Purchase of Shares	-	-	-	(0.10)
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(3.05)	(111.77)	(10.33)	(91.69)
Interest received	3.37	9.51	27.18	10.17
Net cash (used in) / generated from investing activities	(837.86)	(4,772.90)	(151.93)	(16,032.75)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	-	2,281.44	-	5.00
Share Suspense account	-	-	-	2,057.80
Proceeds from Capital Reserve	-	670.63	-	5,553.70
Interest paid	(269.34)	(797.63)	(980.66)	(1,094.69)
Proceeds from long-term borrowings (net)	396.39	(2,047.30)	621.52	7,450.39
Proceeds from short-term borrowings (net)	(643.79)	664.54	554.85	1,763.65
Net cash (used in) / from financing activities	(516.75)	771.68	195.71	15,735.85
Net decrease in cash and cash equivalents (A+B+C)	155.81	35.48	(256.53)	270.74
Cash and cash equivalents at the beginning of the year	49.69	14.21	270.74	-
Cash and cash equivalents at the end of the year	205.50	49.69	14.21	270.74
Components of cash and cash equivalents considered only for the purpose of cash flow statement				
In bank current accounts in Indian rupees	187.33	29.13	12.83	268.15
Cash on hand	18.17	20.55	1.38	2.60
	205.50	49.69	14.21	270.74
For Thanawala & Co.	For Lasa Supergenerics Limited			
Chartered Accountants				
Firm Registration No.: 110948W				
CA Vijay Thanawala	Omkar Herlekar	Mithun Jadhav		
(Proprietor)	(Chairman & Managing Director)	(Whole Time Director)		
M.No.: 15632	DIN:01587154	DIN:08181048		
Place : Mumbai	Nidhi Kulshrestha	Ravi Shankar Kabra		
Date : 8th October,2018	(Company Secretary)	(Chief Financial Officer)		

Annexure IV
LASA SUPERGENERICS LIMITED
Notes forming Part of the Financial Information
Restated Summary Statement of Changes in Equity

(Rs in Lakhs)

EQUITY SHARE CAPITAL :	Balance as at 31st March,2016 (Proforma)	Changes in equity share capital during the year	Balance as at 31st March,2017 (Proforma)	Changes in equity share capital during the year	Balance as at 31st March, 2018	Changes in equity share capital during the year	Balance as at 30th June, 2018
Issued, Subscribed and paid up:							
Equity Share of Rs. 10/- each	5.00	-	5.00	2,281.44	2,286.44	-	2,286.44

(Rs in Lakhs)

OTHER EQUITY :	Share Suspense Account	Reserves and Surplus			
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
Particulars					
Balance as at April 1,2016 (Proforma)	2,057.80	5,553.70	-	(257.67)	5,296.03
Profit/(Loss) for the year	-	-	-	234.59	234.59
Remeasurements of net defined benefit plans	-	-	-	(1.21)	(1.21)
Balance as at 31st March,2017 (Proforma)	2,057.80	5,553.70	-	(24.30)	7,587.20
Profit/(Loss) for the year	-	-	-	1,203.39	1,203.39
Remeasurements of net defined benefit plans	-	-	-	(1.61)	(1.61)
In Pursuant to the Scheme	(2,057.80)	-	-	-	(2,057.80)
Share Capital Issued during the year	-	-	2,728.43	-	2,728.43
Balance as at 31st March,2018	-	5,553.70	2,728.43	1,177.48	9,459.61
Profit/(Loss) for the year	-	-	-	(188.08)	(188.08)
Balance as at 30th June,2018	-	5,553.70	2,728.43	989.39	9,271.53

ANNEXURE - V
Lasa Supergenerics Limited
Notes to restated Financial Information

1. Corporate Information

Lasa Supergenerics Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on March 11, 2016. The Company is primarily engaged in the business of manufacturing API bulk drugs products. The company's shares got listed on National Stock Exchange & Bombay Stock Exchange as on 21st September, 2017 and has a registered office located at Plot No. C-105, Mahad Industrial Area, Mahad, Dist. Raigad, Maharashtra-402309

2A. Basis of preparation

The Restated Statement of Assets and Liabilities of the Company as at June 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 and the Restated Statement of Profit and Loss, the Restated Statement of Cash flows and the Restated Statement of Changes in Equity for the period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 Restated Other Financial Information (together referred as 'Restated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. The Company is in Phase-2 of Ind-AS adoption, accordingly date of transition is April 1, 2016.

The Company has elected to present all four periods as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. Restated financial information for the year ended 31st March 2016 are prepared after taking into consideration the "Scheme of Arrangement" approved by the Hon. National Company Law Tribunal vide with its order Dt. 13th April, 2017, As a result the revised audited Financial statement will vary to that extend. The restated financial information for the year ended March 31, 2017 and March 31, 2016 has been prepared on proforma basis (i.e. "Proforma Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS financial information and for the year ended March 31, 2017 and March 31, 2016, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016. Accordingly, suitable restatement adjustments (both re-measurements and re-classifications) in the accounting heads are made to the Ind AS financial information for the year ended and March 31, 2017 and March 31, 2016 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016). The basis of preparation for specific item where exemptions has applied are as follows:

Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Business Combination:

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from the date of transition to Ind AS i.e. 1 April 2016. As such, Indian GAAP balances relating to business combinations entered before that date have been carried forward. Business combination post 1 April 2016 has been accounted for as per the provisions of the Scheme of amalgamation approved by Court dated 27th April 2017.

The Board of Directors of Lasa Supergenerics Limited ('LASA') the company, have approved the Composite Scheme of Arrangement ('the Scheme') Veterinary API Undertaking of Omkar Speciality Chemicals Limited ('OSCL') to Lasa Supergenerics Limited for demerger with the Company with effect from appointed date April 1, 2015. The Hon'ble High Court of Bombay has approved the Scheme vide its order dated April 27, 2017 and it became effective from May 2, 2017 (being the date of filing with Registrar of Companies).

Appendix C to Ind AS 103 ("Business Combinations") deals with accounting for business combinations of entities or businesses under common control. The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements i.e the appointed date. As the result, the company has restated Rs 442.19 lacs to the opening balance of retained earnings on April 1, 2016 being the impact representing Profit and Loss for the year of 2015-16 in the terms of the composite scheme of arrangements sanctioned by the honorable NCLT Mumbai Bench vide order dated 13.04.2017.

The Company has issued 2,05,78,000 equity shares of Rs. 10/- each, fully paid-up, of the Company to the holders of Equity shares of OSCL whose names will be registered in the register of members on the record date, without payment being received in cash, in the ratio of 1 (one) fully paid-up equity shares of Rs. 10/- each of the Company for every 1 (one) fully paid-up equity shares of Rs. 1 held in LASA.

In terms of the Scheme & provisions of Appendix C of Ind AS 103 all assets, liabilities and reserves of Veterinary API undertaking of Omkar Speciality Chemicals Limited (OSCL) have been vested with the Company with effect from April 1, 2015 and have been recorded at their respective book values in accordance with the Scheme.

Particulars	Amount
Book value of assets, liabilities and reserves of API Undertaking	
Assets	
Property, Plant & Equipment	10,428.72
Intangible assets	402.05
Capital work-in-progress	2,288.08
Non - Current Financial Assets :	
Non-current investments	0.10
Long term loans and advances	61.08
Inventories	3,409.94
Current Financial Assets :	
Trade receivables	1,815.54
Cash and cash equivalents	321.15
Short-term loans and advances	1,516.00
Other current assets	55.85
Total (i)	20,298.51
Liabilities	
Non - Current Financial Liabilities :	
Long-term borrowings	6,768.05
Deferred tax liabilities Net	(145.66)
Long term provisions	27.77
Current Financial Liabilities :	
Short-term borrowings	1,993.16
Trade payables	3,107.53

Other current liabilities	401.23
Short-term provisions	534.93
Total (ii)	12,687.01
Equity	
Equity Share Capital	2,057.80
Other Equity: Capital Reserve	5,553.70

Further, as per the Scheme, the excess of book value of assets over the book value of liabilities of the demerged undertaking shall be adjusted against the capital reserve account

The resulting company shall reimburse the demerged company for all liabilities incurred by the demerged company in so far as such liabilities relate to period prior to the appointed date i.e. 1 April 2016 in respect of the demerged undertaking as per the Scheme.

The Restated Financial Information (including Restated Ind AS financial information for the period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 have been compiled by the Company from the Audited Financial Statements of the Company for the period ended June 30, 2018 and for the year ended March 31, 2018 are prepared under Ind AS and March 31, 2017 and March 31, 2016 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

For all periods up to and including the year ended March 31, 2017, the Company prepared its audited financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017 and 2016 and of the Restated Statement of Profit and loss and other comprehensive Income for the period ended June 30, 2018 and for the year ended March 31, 2018 & March 31, 2017. The restated financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except where otherwise indicated.

The Restated Financial Information has been prepared by the management in connection with the proposed Right issue of the Company to be filed by the Company with SEBI, in accordance with the requirements of:

- a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
- c) Guidance note on reports in company prospectus These Restated Financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

2B. Significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Group has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation/ Amortisation

- a) Depreciation on tangible assets is provided on straight line basis considering the useful lives prescribed in Schedule II to the Act on a pro-rata basis.
- b) Leasehold improvements are amortised on the basis of primary lease period or their useful lives prescribed under Schedule -II, whichever is lower.
- c) The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.
- d) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

c. Intangible assets

Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit & Loss.

Assets acquired but not ready for use are classified under Capital work-in-progress or intangible assets under development, as the case may be.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2016.

d. Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In this case, the growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (i) Financial Assets at Amortised Cost
- (ii) Financial Assets Measured at Fair Value

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April 2016 of its equity investments in subsidiaries, Joint Ventures and associates, if any, and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1st April 2016.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost; eg Loans, Security deposits, trade receivable, bank balance, other financial assets etc. The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes

impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for estimates. At every reporting date, the historical observed default rates are updated and changes in the estimates are analyzed. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(ii) Equity Instruments and Financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

'A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

f. Investment in Subsidiaries

The investments in subsidiaries are carried at cost as per IND AS 27. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales tax/ Value added tax (VAT)/ GST (Goods and Service Tax) is not received by the Company on its own account. Rather, it is collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

Shared Service Income

Revenue from shared services are recognised by reference to stage of completion of contract. The Company collects service tax on behalf of the government and, therefore it is not an economic benefit flowing to the Company and is thus excluded from revenue.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend Income

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

h. Taxes: Taxes comprises current income tax and deferred tax**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets (including MAT credit) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added tax/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST (Goods and Service Tax) paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included the net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the balance sheet.

i. Borrowing costs

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

k. Segment reporting

As the Company's business activity primarily falls within a single business and geographical segment, thus there are no additional disclosures to be provided under Ind AS 108 - " Operating Segment'.

l. Provision and Contingent liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value (except where time value of money is material)and are determined based on the best estimate required to settle the obligation at the reporting date when discounting is used, the increase in provision due to passage of time is recognised as finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the restated financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

m. Employee benefits

Provident fund

The Company has defined contribution plan for post employment benefits in the form of provident fund. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as incurred.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets(excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. (Refer Note no. 34)

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss.

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

o. Earning per share

Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, sharesplit, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. (Refer Note No. 32)

p. Foreign currencies

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

q. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the restated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the restated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring and non-recurring fair value measurement measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

The management in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Refer Note 35 & 35A

For Thanawala & Co.
Chartered Accountants
Firm Registration No.: 110948W

CA Vijay Thanawala
(Proprietor)
Membership No.: 15632

Place: Mumbai
Date: 8th October, 2018

For Lasa Supergenerics Limited

Omkar Herlekar
(Chairman & Managing Director)
DIN: 01587154

Nidhi Kulshrestha
(Company Secretary)

Mithun Jadhav
(Whole Time Director)
DIN: 08181048

Ravi Shankar Kabra
(Chief Financial Officer)

Annexure V
LASA SUPERGENERICLS LIMITED
Notes forming part of the Restatement Financial Information
Note 3: PROPERTY, PLANT & EQUIPMENT

	Property - Plant & Equipment											Intangible Assets						
	Lease Hold Land	Factory Building	Plant & Machinery	Effluent Treatment	Air Conditioner	Tank	Electrical & Electrical Equipment	Plant & Machinery - R & D	Laboratory Equipments	Office Equipments	Motor Car	Furniture & Fixture	Computer & Peripherals	Residential Flat	Total	Capital Work in Progress	Patent and Process	Computer Software Under Development
Gross carrying value, at cost																		
Opening as on 1st Apr. 2016 (Proforma)	585.00	2,531.95	6,154.86	0.28	1.12	0.52	149.66	1,440.93	17.23	3.52	27.46	28.00	10.93		10,951.46	4,384.78	597.76	17.14
Additions	14.54	476.46	866.92	-	-	-	0.87	208.15	1.67	4.99	45.98	3.96	2.49		1,626.03	2,679.16	-	-
Disposal / Transfer	-	-	-	-	-	-	-	-	-	-	14.38	-	-		14.38	4,130.34	-	-
As at 31st Mar. 2017 (Proforma)	599.54	3,008.41	7,021.78	0.28	1.12	0.52	150.53	1,649.08	18.90	8.51	59.06	31.96	13.42		12,563.11	2,933.60	597.76	17.14
Additions	254.84	967.95	4,412.25	-	-	-	1.03	1,231.37	-	1.35	20.50	0.84	5.71		6,895.84	1,159.74	-	7.96
Disposal / Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
As at 31st Mar. 2018	854.38	3,976.36	11,434.03	0.28	1.12	0.52	151.56	2,880.45	18.90	9.86	79.56	32.80	19.13		19,458.95	698.78	599.39	25.10
Additions	8.06	-	25.04	-	0.27	-	-	9.00	-	0.88	28.97	-	1.12		841.18	3.99	-	-
Disposal / Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
As at 30th June, 2018	862.44	3,976.36	11,459.07	0.28	1.39	0.52	151.56	2,889.45	18.90	10.74	108.53	32.80	20.25		20,300.13	695.79	599.39	25.10
Accumulated Depreciation / amortisation																		
Opening as on 1st Apr. 2016 (Proforma)	3.25	82.96	309.01	0.01	0.13	-	16.68	90.78	1.80	0.89	3.49	2.93	5.11		517.04	-	-	-
Charge for the year	3.37	90.52	494.87	0.01	0.13	0.01	16.70	148.01	1.90	1.06	5.42	3.21	3.60		768.81	-	-	-
Disposal / Transfer	-	-	-	-	-	-	-	-	-	-	8.33	-	-		8.33	-	-	-
As at 31st Mar. 2017 (Proforma)	6.62	173.48	803.88	0.02	0.26	0.01	33.38	238.79	3.70	1.95	9.38	6.14	8.71		1,277.52	-	-	-
Charge for the year	8.08	113.85	950.42	0.02	0.13	0.07	17.52	706.15	2.06	2.15	9.40	3.61	3.20		1,816.66	-	-	-
Disposal / Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
As at 31st Mar. 2018	14.70	287.33	1,754.30	0.04	0.39	0.08	50.90	944.94	5.76	4.10	9.98	9.75	11.91		3,094.18	-	-	-
Charge for the year	2.91	32.25	262.14	0.02	0.14	0.02	4.38	170.94	0.51	0.52	2.60	0.86	0.73		480.13	-	-	-
Disposal / Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
As at 30th June, 2018	17.61	319.58	2,016.44	0.06	0.53	0.10	55.28	1,115.88	6.27	4.62	12.58	10.61	12.64		3,574.31	-	-	-
Net Book Value																		
As at 30th June, 2018	844.83	3,656.78	9,442.63	0.22	0.86	0.42	96.28	1,773.57	12.63	6.12	95.95	22.19	7.61		16,225.81	695.79	599.39	25.10
As at 31st Mar. 2018	839.68	3,689.03	9,679.73	0.24	0.73	0.44	100.66	1,935.51	13.14	5.76	69.58	23.05	7.22		16,364.77	698.78	599.39	25.10
As at 31st Mar. 2017 (Proforma)	592.92	2,834.93	6,217.90	0.26	0.86	0.51	117.15	1,410.29	15.20	6.56	58.48	25.82	4.71		11,285.59	2,933.60	597.76	17.14
As at 31st Mar. 2016 (Proforma)	581.75	2,448.99	5,845.85	0.27	0.99	0.52	132.98	1,350.15	15.43	2.63	23.97	25.07	5.82		10,434.42	4,384.78	597.76	17.14

(a) Property, plant and equipment pledged as security
Refer to Note 15 and 18 for information on property, plant and equipment and other intangible assets pledged as security by the company
(b) Capital work-in-progress
Capital work-in-progress mainly comprises of plant & machinery and factory building.
(c) Intangible Assets - Patents
Intangible assets is assessed with indefinite useful lives hence no depreciation has been charged for the same.

Annexure V
LASA SUPERGENERICS LIMITED
Notes forming part of the Restatement Financial Information

Financial Assets

Note 4 : Non Current Investments

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Investment in quoted equity instruments (fully paid-up)				
1000 Shares Investment in Saraswat Bank Co-op Ltd of INR 10/- each (Previous Year 1000 Equity Shares Investment in Saraswat Bank Co-op Ltd of INR 10/- each)	0.10	0.10	0.10	0.10
	0.10	0.10	0.10	0.10

Note 5 : Loans

Unsecured, Considered Good

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Security Deposits	75.46	75.25	49.81	61.62
Less - Advance/Prepaid rent - IND AS	(4.83)	(4.83)	-	-
	70.63	70.42	49.81	61.62
Add - Interest expense - IND AS	1.79	1.40	-	-
	72.41	71.81	49.81	61.62

Note 6 : Other non-current assets

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Preliminary Exp Not W/off	-	-	28.09	35.09
Less : IND AS Adjustment	-	-	(28.09)	(35.09)
	-	-	-	-

Note 7 : Inventories

(Valued at lower of cost or Net Realisable Value)

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Raw materials	1,253.49	1,666.29	844.03	558.73
Work-in-progress	1,814.14	1,372.34	1,871.70	403.53
Finished products	927.31	1,184.82	630.12	1,019.93
	3,994.94	4,223.45	3,345.85	1,982.18

Note 8 : Trade receivables

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Unsecured, Considered Good	2,302.70	4,223.32	3,554.17	2,135.61
Less : Provision for Doubtful Debts	-	-	(50.00)	(35.00)
Less : Impairment allowance (allowance for doubtful debts) - ECL	(4.29)	(8.21)	(7.12)	(1.10)
	2,298.41	4,215.11	3,497.05	2,099.51

Refer note no. 39 for information about impairment, credit risk and market risk of trade receivable
There are no outstanding dues from directors or other officers of the company.

Note 9 : Cash and cash equivalents

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Balance with Banks	187.33	29.13	12.83	268.15
Cash on hand	18.17	20.55	1.38	2.60
	205.50	49.69	14.21	270.74

Note 10 : Bank balances other than cash & cash equivalents

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Fixed Deposit With Axis Bank as a Margin Money & BOB	216.84	213.79	102.02	91.69
	216.84	213.79	102.02	91.69

* Margin money deposits are restricted and the same is held towards margin money for letter of credit.

Note 11 : Loans

Unsecured, Considered Good

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Security Deposits	5.60	5.60	-	-
	5.60	5.60	-	-

Note 12 : Other current assets

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Advances to Suppliers & Other Vendors	999.00	919.70	138.27	29.86
Advances to Capital Supplier	214.86	286.57	124.99	178.74
Prepaid Expenses	36.08	10.31	5.55	46.14
Balances with Government Authorities	894.36	989.96	712.48	1,043.68
Other Current Assets (TDS Receivables)	0.53	0.49	0.28	1.20
Advance/Prepaid rent expenses - ind as	4.83	4.83	-	-
Less - Amortisation of rent expense	(1.87)	(1.42)	-	-
	2,147.79	2,210.44	981.57	1,299.63

LASA SUPERGENERICS LIMITED

Restated Summary Statement of Changes in Equity for the period

Note 13 : Equity Share Capital

(Rs in Lakhs, except for share data if otherwise stated)

Particulars	As at 30.06.2018		As at 31.03.2018		As at 31.03.2017 (Proforma)		As at 31.03.2016 (Proforma)	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
(A) Share Capital								
Authorised Capital								
Equity Shares of Rs.10/- each.	35,000,000	3,500.00	35,000,000	3,500.00	35,000,000	3,500.00	35,000,000	3,500.00
	35,000,000	3,500.00	35,000,000	3,500.00	35,000,000	3,500.00	35,000,000	3,500.00
Issues, Subscribed and Paid up:								
Equity Shares of Rs.10/- each.*	22,864,449	2,286.44	22,864,449	2,286.44	50,000	5.00	50,000	5.00
Total	22,864,449	2,286.44	22,864,449	2,286.44	50,000	5.00	50,000	5.00
(B) Share capital suspense account								
Share capital suspense account (Refer note 1B(d))					20,578,000	2,057.80	20,578,000	2,057.80
Total	-	-	-	-	20,578,000	2,057.80	20,578,000	2,057.80

(C) Reconciliation of the Shares outstanding at the beginning and at the end of the year:

Issued, Subscribed and Paid up capital	As at 30.06.2018		As at 31.03.2018		As at 31.03.2017 (Proforma)		As at 31.03.2016 (Proforma)	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the Year	22,864,449	2,286.44	50,000	5.00	50,000	5.00		
Share issued during the Year			22,814,449	2,281.44	-	-	50,000	5.00
Issued, Subscribed and Paid Up capital at the end of year	22,864,449	2,286.44	22,864,449	2,286.44	50,000	5.00	50,000	5.00

(D) Details of Share Holders holding more than 5% shares in the company

Name of Shareholder	As at 30.06.2018		As at 31.03.2018		As at 31.03.2017 (Proforma)		As at 31.03.2016 (Proforma)	
	No. of Share #	%	No. of Share #	%	No. of Share	%	No. of Share	%
Omkar Speciality Chemicals Limited	-	-	1,186,445	5.19%				
Omkar Pravin Herlekar	7,909,500	34.59%	6,809,500	29.78%	5,251,500	22.97%		
Pravin Herlekar	-	-	-	0.00%	2,290,821	10.02%	10,258,874	49.73%
Anjali P. Herlekar	-	-	-	0.00%			1,208,240	5.86%
Total	7,909,500	34.59%	7,995,945	34.97%	7,542,321	32.99%	11,467,114	55.59%

(E) The company has one class of Equity Shares having a par value of Rs. 10.00 per share. Each Shareholder is eligible for one vote per share held and has same right to dividend.

(F) No bonus shares have been issued during five years immediately preceding 30th June, 2018.

(G) No dividend Proposed, Declared and paid.

(H) Shares reserved for issue under options and contracts or commitments for the sale of shares of disinvestment, including the terms and amounts - Nil

(I) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-

- 1) aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- 2) aggregate number and class of shares bought back - Nil

Note No. 14 : Other Equity

(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
RESERVE AND SURPLUS				
Capital Reserve				
Opening Balance	5,553.70	5,553.70	5,553.70	5,553.70
Add: Arising pursuant to the scheme		-	-	-
Closing Balance	5,553.70	5,553.70	5,553.70	5,553.70
Securities Premium				
Opening Balance	2,728.43	-	-	-
Add: Addition	-	2,728.43	-	-
Less: Share Issue Expenses	-	-	-	-
Closing Balance	2,728.43	2,728.43	-	-
Profit & Loss Account				
Opening Balance	1,177.48	(24.30)	(257.67)	-
Add : Profit for the year	(188.08)	1,203.39	234.59	(257.67)
Remeasurements of net defined benefit plans		(1.61)	(1.21)	-
Closing Balance	989.39	1,177.48	(24.30)	(257.67)
Shares Suspense Account (Equity Pending Allotment)				
	-	-	2,057.80	2,057.80
	9,271.53	9,459.61	7,587.20	7,353.83

Note 15 : Non Current Borrowings
(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Secured Loans				
Term Loans				
From Banks	1,918.22	1,591.14	3,154.61	5,460.12
From Others	29.59	8.17	8.92	11.31
Unsecured Loans				
From Others	4,831.22	4,887.72	5,302.22	2,249.60
Less - Unamortised loan income	(999.44)	(1,005.86)	(606.83)	(293.39)
Add - Interest expense	637.45	545.82	209.10	22.04
	6,417.04	6,026.99	8,068.03	7,449.68

a) Term Loans are secured by way of hypothecation of stocks and book debts and first charge on land building and plant and machinery situated at Plot No. D-27/5, MIDC, Lote Parshuram Industrial Area, Taluka - Khed, Dist. Ratnagiri

b) Personal guarantee of the promoter director of the company.

c) ECB loan from Bank of Baroda carries interest rate of Base rate 4.7% plus 6 Months Libor 1.41544 % (6.11544% p.a. at 30 June 2018) and is repayable in 28 Quarterly installments commenced from Sep 2014

d) Car Loan from Tata Motors Finance Ltd carries interest rate of (9.50% p.a. at 31 March 2018) and is repayable in 60 Monthly installments commenced from March 2015

e) Car Loan from Ford Credit India Pvt Ltd carries interest rate of (9.50% p.a. at 31 March 2018) and is repayable in 60 Monthly installments commenced from September 2016

Note 16 : Provisions
(Rs. In Lakhs)

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Provision For Gratuity	19.44	17.72	125.81	98.01
Less : IND AS Adjustment (Prior Period)	-	-	(112.24)	(89.92)
	19.44	17.72	13.57	8.09
Provision For Leave Encashment	5.91	6.03		
	25.35	23.75	13.57	8.09

Note 17 : Deferred Tax Liabilities / (Asset)
Movement in deferred tax balances
(Rs. In Lakhs)

Particulars	Net balance as at March 31, 2018	Recognised in profit or loss	Recognise d in OCI	Recognised directly in equity	Net Balance as at June 30, 2018	Deferred tax assets/ liability
Deferred tax (Asset)/Liabilities						
Property, plant and equipment & Intangible assets	1,441.95	(25.87)	-	-	1,416.08	1,416.08
Expected Credit Loss	(2.11)	1.01	-	-	(1.10)	(1.10)
Employee benefits	(38.87)	50.18	-	-	11.32	11.32
Fair Valuation of Non-current Liabilities & Assets	(0.55)	(8.55)	-	-	(9.10)	(9.10)
Indexed cost of land	(16.49)	(5.60)	-	-	(22.09)	(22.09)
MAT	(572.83)	-	-	-	(572.83)	(572.83)
Other Items	(773.85)	(40.73)	-	-	(814.58)	(814.58)
Deferred tax (Asset)/Liabilities	37.24	(29.56)	-	-	7.69	7.69
Deferred tax (Asset)/Liabilities-IND AS	(0.56)	-	-	-	(0.56)	(0.56)

Particulars	Net balance as at March 31, 2017 (Proforma)	Recognised in profit or loss	Recognise d in OCI	Recognised directly in equity	Net Balance as at March 31, 2018	Deferred tax assets/ liability
Deferred tax (Asset)/Liabilities						
Property, plant and equipment & Intangible assets	820.54	621.41	-	-	1,441.95	1,441.95
Expected Credit Loss	(1.83)	(0.28)	-	-	(2.11)	(2.11)
Employee benefits	(8.43)	(30.44)	-	-	(38.87)	(38.87)
Fair Valuation of Non-current Liabilities & Assets	48.12	(48.67)	-	-	(0.55)	(0.55)
Indexed cost of land	(6.19)	(10.30)	-	-	(16.49)	(16.49)
MAT	(78.92)	(493.91)	-	-	(572.83)	(572.83)
Other Items	(663.68)	(110.17)	-	-	(773.85)	(773.85)
Deferred tax (Asset)/Liabilities	109.61	(72.36)	-	-	37.25	37.25
Deferred tax (Asset)/Liabilities-IND AS	-	(0.56)	-	-	(0.56)	(0.56)

Particulars	Net balance as at March 31, 2016 (Proforma)	Recognised in profit or loss	Recognise d in OCI	Recognised directly in equity	Net balance as at March 31, 2017 (Proforma)	Deferred tax assets/ liability
Deferred tax (Asset)/Liabilities						
Property, plant and equipment & Intangible assets	659.34	161.21	-	-	820.54	820.54
Expected Credit Loss	(0.28)	(1.55)	-	-	(1.83)	(1.83)
Employee benefits	(5.55)	(2.88)	-	-	(8.43)	(8.43)
Fair Valuation of Non-current Liabilities	0.18	47.94	-	-	48.12	48.12
Indexed cost of land	(6.57)	0.38	-	-	(6.19)	(6.19)
MAT (Entitlement)	(47.21)	(31.72)	-	-	(78.92)	(78.92)
Other Items	(438.02)	(225.66)	-	-	(663.68)	(663.68)
Deferred tax (Asset)/Liabilities	161.90	(52.29)	-	-	109.61	109.61

Note 18 : Current Borrowings**(Rs. In Lakhs)**

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Secured Loans				
Term Loans				
From Banks	2,339.25	2,983.04	2,318.51	1,763.65
	2,339.25	2,983.04	2,318.51	1,763.65

Working Capital Loans

a) From banks were secured by way of hypothecation of stock and book debts and first charge on land building and plant and machinery situated at Plot No C-105. MIDC, MAHAD. Dist: Raigad & C-4, MIDC, Lote Parshuram Industrial Area, Taluka - Khed, Dist. Ratnagiri

b) Personal guarantee of the promoter directors of the company

c) Working Capital loan carries interest rate in the range of 10.50% p.a

Note 19 : Trade payables**(Rs. In Lakhs)**

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Due to Others	3,484.53	4,793.52	2,538.40	3,189.96
	3,484.53	4,793.52	2,538.40	3,189.96

There is no outstanding amount overdue as on June 30, 2018 to Micro, small and medium enterprises on account of principal or interest (March 31, 2018 : Nil)

Note 20 : Other financial liabilities**(Rs. In Lakhs)**

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Current maturities of long-term debt	1,815.69	1,656.08	1,191.68	395.62
Salary and Bonus Payable	66.81	55.81	36.78	25.66
	1,882.50	1,711.89	1,228.46	421.28

Term loan from Axis Bank carries interest rate of 11.40% p.a at March,31 2018.

Note 21 : Other current liabilities**(Rs. In Lakhs)**

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Unamortised loan income	999.44	1,005.86	606.83	293.39
Less - Amortisation	(641.40)	(543.43)	(212.98)	(22.75)
	358.04	462.42	393.85	270.64
Statutory liabilities	22.85	23.57	48.47	56.84
Creditors for capital goods	96.21	113.60	51.74	214.28
Advance received from customers	234.27	215.75	2.09	31.99
	711.37	815.33	496.15	573.75

Note 22 : Provisions**(Rs. In Lakhs)**

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Provision For Expenses	151.41	129.31	210.88	62.45
	151.41	129.31	210.88	62.45

Note 23 : Current tax liabilities (net)**(Rs. In Lakhs)**

Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Income Tax Payable (Net)	411.11	411.44	248.85	249.97
	411.11	411.44	248.85	249.97

Note 24 : Revenue from operations**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Sale of Products	3,292.06	24,352.58	21,822.92	14,746.63
Add :- Excise Duty	-	231.29	-	-
	3,292.06	24,583.88	21,822.92	14,746.63

Note 25 : Other income**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Interest income				
- interest unwinding on financial assets	0.40	1.40	-	-
- on loans	97.97	330.45	190.23	22.75
- on margin money deposits	3.37	9.51	7.29	8.87
- on Sales tax & IT Refund		-	19.89	1.31
Forex Gain/ Loss fluctuation		7.30	-	-
Other non-operating income				
- Miscellaneous	0.15	-	-	34.14
	101.89	348.66	217.41	67.07

Note 26 : Cost of materials consumed**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Cost of Raw material consumed (including Packing material)	1,701.12	17,205.86	14,167.04	10,860.31
	1,701.12	17,205.86	14,167.04	10,860.31

Note 27 : Changes in inventories of finished goods, work in process and stock in trade**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Opening Stocks				
- Work in Process	1,372.34	1,871.70	403.53	1,432.03
- Finished Goods	1,184.82	630.12	1,019.93	451.01
	2,557.16	2,501.82	1,423.46	1,883.04
Less : Closing Stocks				
- Work in Process	1,814.14	1,372.34	1,871.70	2,231.02
- Finished Goods	927.31	1,184.82	630.12	1,019.93
	2,741.45	2,557.16	2,501.82	3,250.95
	(184.29)	(55.34)	(1,078.36)	(1,367.91)

Note 28 : Employee benefits expense**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Salaries and wages	250.85	961.13	867.97	350.23
Contribution to provident and other fund	2.91	0.16	0.10	286.34
Gratuity	7.41	49.04	57.03	(89.92)
Leave Encashment	-	(9.91)	-	-
Staff welfare	7.05	26.66	30.28	16.28
	268.22	1,027.09	955.38	562.92

Note 29 : Finance costs**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Interest on:				
- Term loans	181.78	23.92	10.98	470.29
Interest on interest free loan - ind as	91.63	336.72	187.06	22.04
- Cash credit facilities	62.18	584.12	898.16	562.77
Other borrowing costs				
- Bank charges	25.38	189.59	71.52	61.63
	360.97	1,134.35	1,167.72	1,116.74

Note 30 : Other expenses**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Power & Fuel Expenses	117.22	574.64	525.88	348.65
Water Charges	(2.65)	89.79	77.05	56.42
Freight Inward	19.45	122.34	61.16	82.95
Processing Charges	40.08	383.93	50.58	305.65
Laboratory Expenses	1.84	21.53	16.98	13.05
Consumable Stores	0.47	13.96	18.75	5.73
Other Manufacturing Expenses	79.91	157.72	189.01	79.17
Sundry Factory Expense	4.05	28.47	16.46	12.84
Conveyance & Travelling Expenses	5.52	24.03	23.16	3.06
Sales Promotion Exp	0.40	11.14	19.27	1.70
Freight & Transportation - Sales	9.70	49.76	-	50.73
Commission on Sales	0.65	23.45	-	27.59
Telephone/postage/Internet Charges	2.73	17.71	17.63	5.58
Insurance	13.41	24.85	28.94	8.98
Printing & Stationery	4.33	16.77	22.03	6.18
Professional Charges	38.11	127.64	85.67	8.80
Repairs & Maintenance	0.75	15.60	12.79	3.64
Rates & Taxes	0.89	12.87	2.42	4.41
Rent	16.84	52.40	0.92	0.15
Misc. Exp	7.75	194.18	44.22	37.41
Discounts	-	0.78	(0.00)	10.37
Forex Gain/ Loss	12.28	-	19.10	2.95
Office expenses	8.80	40.67	16.54	1.83
Auditor Remuneration (refer note 30 (a) below)	2.00	12.50	1.65	1.65
Provision for Doubtful Debts	-	-	15.00	35.00
Demerger Expenses	-	1.69	5.65	-
Loss on sale of Motor Car	-	-	1.65	-
Advertisement Expenses	0.54	11.66	-	-
Listing Fees	2.50	15.86	-	-
Interest on Excise	-	0.13	-	-
Interest on GST Paid	0.05	0.43	-	-
Tds Filling Charges	-	0.03	-	-
Share Issue Expenses	1.50	0.26	-	-
Rent Expense (IND AS)	0.45	1.42	-	-
Impairment allowance (allowance for doubtful debts) - ECL	(3.92)	1.09	6.02	1.10
	385.65	2,049.30	1,278.51	1,115.61

Note 30 (a) Details of Payment to Auditors**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Payment to auditors				
Audit Fees	2.00	8.00	1.50	1.50
Tax audit fee	-	1.00	0.15	0.15
Other Services	-	3.50	-	-
	2.00	12.50	1.65	1.65

Note 31 Exceptional Items**(Rs. In Lakhs)**

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Exceptional Items				
Impairment of Work in Progress Written off	-	-	2,619.10	1,874.17
	-	-	2,619.10	1,874.17

Exceptional items consist of the difference between the fair value and book value of assets taken from Demerged company amounting to Rs.26,19,10,397/- . The Same has been chargeed to the Profit & Loss Account of the company in the terms of the composite scheme of arrangements has sanctioned by the honorable NCLT Mumbai Bench vide order dated 13.04.2017

Annexure V**LASA SUPERGENERICS LIMITED****Notes forming part of the Restatement Financial Information****Note 32: Restated Summary of Earning Per Share**

(Rs in Lakhs, except for share data if otherwise stated)

Basic and Diluted Earnings Per Share is calculated as under:				
Particulars	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
Profit attributable to Equity Shareholders	(188.08)	1,203.39	234.59	(257.67)
Less : Profit attributable to Preference Shareholders	-	-	-	-
Profit attributable to Equity Shareholders	(188.08)	1,203.39	234.59	(257.67)
Weighted average number of Equity Shares:				
-Basic	22,864,445	22,731,015	20,628,000	20,628,000
-Diluted	22,864,445	22,731,015	20,628,000	20,628,000
Earnings per Share (in Rs.)				
-Basic	(0.82)	5.29	1.14	(1.25)
-Diluted	(0.82)	5.29	1.14	(1.25)

Notes

Basic Earnings Per Share (EPS) for the year ended 31st March, 2018 is calculated by dividing net profit after tax by weighted average no. of equity shares, including shares allotted in pursuance of schemes of arrangement. Actual allotment of shares took place on June 14, 2017

Restated EPS as shown at the year ended 31st March 2017 & 31st March 2016 are computed considering share accounted at the time of demerger, however these shares are shown in Share Suspense Account in the Balance Sheets prepared as per Indian GAAP and IND AS.

Annexure V
LASA SUPERGENERICIS LIMITED
Notes forming part of the Restatement Financial Information

Note 33 :- Restated Summary of Related Party disclosures

Party	Relationship
Mr. Omkar Herlekar	Director
Mr. Shivanand Hegde	Director
Mr. Sumant Kharsambale	Director
Ms. Ekta Gurnasinghani	Independent Director
Mr. Ajay Sukhwani	Independent Director
Mr. Hardesh Tolani	Independent Director
Mr. Hitesh Wadhvani	Company Secretary
Mr. Minesh Bhosle	Chief Finance Officer
M/s Omkar Speciality Chemicals Limited #	Related Party
M/s Harishree Aeromatics & Chemicals Pvt Ltd	Associate Company- Common control Exist

(Rs in Lakhs, except for share data if otherwise stated)

Sr. No	Nature of transaction	Relationship	As at 30.06.2018	As at 31.03.2018	As at 31.03.2017 (Proforma)	As at 31.03.2016 (Proforma)
1	Transactions with related parties					
	<u>Directors Remuneration</u>					
	Mr.Omkar Herlekar	Director	10.85	38.50	-	-
	Mr. Shivanand Hegde *	Director	10.32	22.21	22.21	16.20
	Mr. Sumant Kharsambale* (up to 16.06.2018)	Director	2.96	8.04	6.84	3.10
	Mrs.Ketki Parte *	Director	-	-	4.22	-
	Mr.Vishnu Gupta (up to 15.05.2018)	Director	3.38	4.50	-	-
	<u>Director Sitting Fees</u>					
	Ms. Ekta Gurnasinghani	Independent Director	0.27	1.35	-	-
	Mr. Ajay Sukhwani	Independent Director	0.14	0.75	-	-
	Mr. Hardesh Tolani	Independent Director	0.27	1.35	-	-
	Ms.Manali Bhagtani (w.e.f.12.02.2018)	Independent Director	0.14	-	-	-
	<u>Key Management Personnel</u>					
	Mr.Hitesh Wadhvani (up to 16.06.2018)	Company Secretary	2.67	10.20	5.50	-
	Mrs.Nidhi Kulshrestha (w.e.f 16.06.2018)	Company Secretary	0.14	-	-	-
	Mr.Minesh Bhosle (up to 31.01.2018)	Chief Financial Officer	-	6.14	-	-
	<u>Purchase of Goods</u>					
	Omkar Speciality Chemicals Limited #	Related Party	-	6.25	33.80	3,474.51
	<u>Sale of Goods</u>					
	Omkar Speciality Chemicals Limited #	Related Party	-	113.73	280.71	359.83
	<u>Purchase of Fixed Assets</u>					
	Omkar Speciality Chemicals Limited #	Related Party	-	-	269.37	-
	<u>Loan Taken</u>					
	Omkar Speciality Chemicals Limited #	Related Party	-	-	687.35	-
	Omkar Herlekar	Director	60.00	4,773.79	80.00	-
	Pravin Herlekar	Related Party	-	-	100.00	-
	<u>Loan Repaid</u>					
	Omkar Speciality Chemicals Limited #	Related Party	-	2,959.41	-	1,013.96
	Omkar Herlekar	Director	116.50	1,643.75	53.00	-
	<u>Processing Charges</u>					
	Omkar Speciality Chemicals Limited #	Related Party	-	3.69	-	148.88
	Harishree Aeromatics & Chemicals Pvt Ltd	Common Director	41.85	380.76	5.20	-
	<u>Processing Charges Paid</u>					
	Harishree Aeromatics & Chemicals Pvt Ltd	Common Director	84.07	230.60	4.12	-
2	Outstanding balances of related parties					
	Omkar Speciality Chemicals Limited #	Related Party	-	4.96	2,959.41	2,249.60
	Harishree Aromatic & Chemicals Pvt Ltd	Common Director	107.80	150.73	1.08	-
	Omkar Herlekar	Director	3,100.54	3,157.04	27.00	-
	Pravin Herlekar	Related Party	100.00	100.00	100.00	-

Note*- Transaction With Related Party Transactions - Directors Remuneration

Remuneration for FY 2015-16 and FY 2016-17 - Mr.Shivanand Hegde, Mr.Sumant Kharsambale and Mrs.Ketki Parte, - They were directors in M/s Lasa Laboratory Pvt Ltd, however Mr.Shivanand Hegde and Mr.Sumant Kharsambale, were transfer in the M/s. Lasa Supergenerics Limited as per the demerger scheme effective date. This statement is given for, more clarity on related party transactions.

Annexure V
LASA SUPERGENERICS LIMITED
Notes forming part of the Restatement Financial Information

Note 34 : Employee Benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on retirement / resignation or retirement under VRS at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The service cost and the net interest cost would be charged to the Profit & Loss account. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognises these remeasurements in the Other Comprehensive Income (OCI).

The Company has a defined benefit obligation for Leave encashment which is partly funded. Generally the leave encashment is paid to employees in case of resignation, retirement under VRS or retirement except in some case the same is paid annually .

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below

Particulars	GRATUITY				LEAVE ENCASHMENT			
	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)
Discount Rate*	7.55%	7.55%	7.20%	0.00%	7.55%	7.55%	0.00%	0.00%
Salary Growth Rate	5.00%	5.00%	5.00%	0.00%	5.00%	5.00%	0.00%	0.00%
Expected rate of return on plan assets*	7.55%	7.55%	7.20%	0.00%	7.55%	7.55%	0.00%	0.00%
Withdrawal rate	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages		10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages		

* As per actuary certificate

Basis of Valuation (Assumptions)

Discount Rate:

As per para 83 of Ind AS 19, the rate used to discount other long term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post employment benefit obligation.

Salary Growth Rate:

This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases should take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Rate of Return on Plan Assets :

This assumption is required only incase of funded plans. Interest income on plan assets is calculated using the rate used to discount the defined benefit obligation

The following tables summarise the funded status and amounts recognised in the balance sheet for gratuity & leave encashment benefits.

Particulars	GRATUITY				LEAVE ENCASHMENT			
	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)
Present value of unfunded obligation	17.72	17.72	13.57	-	6.03	6.03	-	-
Present value of funded obligation	-	-	-	-	-	-	-	-
Fair value of plan assets	-	-	-	-	-	-	-	-
Net Liability (Assets)	19.44	17.72	13.57	-	5.91	6.03	-	-

Particulars	GRATUITY				LEAVE ENCASHMENT			
	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)
Current Service Cost *	1.73	5.72	3.94	8.09	-	2.90	-	-
Past service cost and loss / (gain) on curtailments and settlements	-	0.22	-	-	-	-	-	-
Net Interest Cost	-	0.97	0.63	-	-	1.24	-	-
Net value of remeasurements on the obligation	-	-	-	-	-	(14.05)	-	-
Employee Benefit Expenses	1.73	6.91	4.57	8.09	-	(9.91)	-	-
Interest Income	-	-	-	-	-	-	-	-
Net value of remeasurements on the assets	-	-	-	-	-	-	-	-
Total charge to P & L	1.73	6.91	4.57	8.09	-	(9.91)	-	-

Past Service cost is on account of increase in Gratuity Ceiling from Rs.10,00,000 to Rs.20,00,000

* Provision for gratuity for the period ended 30 June 2018 has been created on adhoc basis, however the valuation for the same will be done on half yearly basis.

Other Comprehensive Income for the Current Period (Rs. In Lakhs)

Particulars	GRATUITY			
	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)
Components of actuarial gain/losses on obligations:				
Due to Change in financial assumptions	-	(0.58)	0.73	-
Due to Change in demographic assumptions	-	-	-	-
Due to experience adjustments	-	(1.58)	0.90	-
Return on plan assets excluding amounts included in interest income	-	-	-	-
Amounts recognized in Other Comprehensive Income	-	(2.16)	1.64	-

Reconciliation of defined benefit obligation: (Rs. In Lakhs)

Particulars	GRATUITY				LEAVE ENCASHMENT			
	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)
Opening Defined Benefit Obligation	17.72	13.57	8.09	-	6.03	16.42	-	-
Transfer in/(out) obligation	-	-	-	-	-	-	-	-
Current Service Cost	1.73	5.72	3.94	8.09	-	2.90	-	-
Interest Cost	-	0.97	0.63	-	-	1.24	-	-
Components of actuarial gain/losses on obligations								
Due to change in financial assumptions	-	(0.58)	0.73	-	-	-	-	-
Due to change in demographic assumptions	-	-	-	-	-	-	-	-
Due to experience adjustments	-	(1.58)	0.90	-	-	(14.05)	-	-
Past Service cost	-	0.22	-	-	-	-	-	-
Benefits Paid	-	(0.60)	(0.72)	-	(0.13)	(0.48)	-	-
Closing Defined Benefit Obligation	19.44	17.72	13.57	8.09	5.91	6.03	-	-

Reconciliation of net defined benefit liability : (Rs. In Lakhs)

Particulars	GRATUITY				LEAVE ENCASHMENT			
	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)
Net opening provisions in books of accounts	17.72	13.57	8.09	0.00	6.03	16.42	-	-
Transfer in/(out) obligation	-	-	-	-	-	-	-	-
Transfer in/(out) plan assets	-	-	-	-	-	-	-	-
Employee Benefit Expenses	1.73	6.91	4.57	8.09	-	(9.91)	-	-
Amounts recognized in other Comprehensive Income	-	(2.16)	1.64	-	-	-	-	-
Benefits Paid by the company	19.44	18.32	14.29	8.09	6.03	6.51	-	-
Contributions to plan assets	-	(0.60)	(0.72)	-	(0.13)	(0.48)	-	-
Closing provisions in books of accounts	19.44	17.72	13.57	8.09	5.91	6.03	-	-

Bifurcation of liability as per schedule III (Rs. In Lakhs)

Particulars	GRATUITY				LEAVE ENCASHMENT			
	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)	As At 30.06.2018	As At 31.03.2018	As At 31.03.2017 (Proforma)	As At 31.03.2016 (Proforma)
Current Liability	1.73	0.64	0.32	-	-	0.84	-	-
Non-Current Liability	17.72	17.08	13.26	8.09	5.91	5.19	-	-
Closing provisions in books of accounts	19.44	17.72	13.57	8.09	5.91	6.03	-	-

Annexure V

LASA SUPERGENERICS LIMITED

Notes forming part of the Restatement Financial Information

Note 35 : Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 30 June 2018 were as follows:

Particulars	Refer note	Amortised cost					(Rs. In Lakhs)	
			Financial assets/ liabilities at fair		Financial assets/ liabilities at fair		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares	4	0.10	-	-	-	-	0.10	0.10
Trade receivables	8	2,302.70	(4.29)	-	-	-	2,298.41	2,298.41
Loans	5,11	75.46	(3.04)	-	-	-	72.42	72.42
Cash and cash equivalents	9	205.50	-	-	-	-	205.50	205.50
Other bank balances	10	216.84	-	-	-	-	216.84	216.84
Other current Assets	12	2,144.83	2.96	-	-	-	2,147.79	2,147.79
Liabilities:								
Borrowings	15,18	9,118.28	(361.99)	-	-	-	8,756.29	8,756.29
Trade payables	19	3,484.53	-	-	-	-	3,484.53	3,484.53
Other financial liabilities	20	711.37	-	-	-	-	711.37	711.37
Other current Liabilities	21	353.33	358.04	-	-	-	711.37	711.37

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

Particulars	Refer note	Amortised cost					(Rs. In Lakhs)	
			Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares	4	0.10	-	-	-	-	0.10	0.10
Trade receivables	8	4,223.32	(8.21)	-	-	-	4,215.11	4,215.11
Loans	5,11	75.25	(3.44)	-	-	-	71.81	71.81
Cash and cash equivalents	9	49.69	-	-	-	-	49.69	49.69
Other bank balances	10	213.79	-	-	-	-	213.79	213.79
Other current Assets	12	2,207.03	3.41	-	-	-	2,210.44	2,210.44
Liabilities:								
Borrowings	15,18	9,470.07	(460.03)	-	-	-	9,010.04	9,010.04
Trade payables	19	4,793.52	-	-	-	-	4,793.52	4,793.52
Other financial liabilities	20	815.33	-	-	-	-	815.33	815.33
Other current Liabilities	21	352.91	462.42	-	-	-	815.33	815.33

LASA SUPERGENERICS LIMITED

Notes forming part of the Restatement Financial Information

The carrying value and fair value of financial instruments by categories as at 31 March 2017 (Proforma) were as follows:

Particulars	Refer note	Amortised cost	(Rs. In Lakhs)				Total carrying value	Total fair value
			Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI			
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares	4	0.10	-	-	-	-	0.10	0.10
Trade receivables	8	3,504.17	(7.12)	-	-	-	3,497.05	3,497.05
Loans	5,11	49.81	-	-	-	-	49.81	49.81
Cash and cash equivalents	9	14.21	-	-	-	-	14.21	14.21
Other bank balances	10	102.02	-	-	-	-	102.02	102.02
Other current Assets	12	981.57	-	-	-	-	981.57	981.57
Liabilities:								
Borrowings	15,18	10,784.26	(397.73)	-	-	-	10,386.53	10,386.53
Trade payables	19	2,538.40	-	-	-	-	2,538.40	2,538.40
Other financial liabilities	20	1,228.46	-	-	-	-	1,228.46	1,228.46
Other current Liabilities	21	102.30	393.85	-	-	-	496.15	496.15

The carrying value and fair value of financial instruments by categories as at 31 March 2016 (Proforma) were as follows:

Particulars	Refer note	Amortised cost	(Rs. In Lakhs)				Total carrying value	Total fair value
			Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI			
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares	4	0.10	-	-	-	-	0.10	0.10
Trade receivables	8	2,100.61	(1.10)	-	-	-	2,099.51	2,099.51
Loans	5,11	61.62	-	-	-	-	61.62	61.62
Cash and cash equivalents	9	270.74	-	-	-	-	270.74	270.74
Other bank balances	10	91.69	-	-	-	-	91.69	91.69
Other current Assets	12	1,299.63	-	-	-	-	1,299.63	1,299.63
Liabilities:								
Borrowings	15,18	9,484.68	(271.35)	-	-	-	9,213.33	9,213.33
Trade payables	19	3,189.96	-	-	-	-	3,189.96	3,189.96
Other financial liabilities	20	421.28	-	-	-	-	421.28	421.28
Other current Liabilities	21	303.11	270.64	-	-	-	573.75	573.75

LASA SUPERGENERIC LIMITED
Notes forming part of the Restatement Financial Information

B. Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	30.06.2018			31.03.2018			31.03.2017 (Proforma)			31.03.2016 (Proforma)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets												
Trade receivables	-	(4.29)	-	-	(8.21)	-	-	(7.12)	-	-	(1.10)	-
Loans	-	(3.04)	-	-	(3.44)	-	-	-	-	-	-	-
Other current Assets	-	2.96	-	-	3.41	-	-	-	-	-	-	-
Total	-	(4.37)	-	-	(8.23)	-	-	(7.12)	-	-	(1.10)	-
Liability												
Borrowings	-	(361.99)	-	-	(460.03)	-	-	(397.73)	-	-	(271.35)	-
Other current Liabilities	-	358.04	-	-	462.42	-	-	393.85	-	-	270.64	-
Total	-	(3.95)	-	-	2.39	-	-	(3.88)	-	-	(0.71)	-

Measurement of Fair Values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

The fair values of loans given to employees and other parties, and security deposit given is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

Financial Instruments measured at fair value

Type	Valuation Technique
Loans & Security Deposits given	
Preference Shares	Discounted Cash Flows :The valuation model considers the present value of expected
Loans from others	receipt /payment discounted using appropriate discounting rates

Annexure V
LASA SUPERGENERICS LIMITED
Notes forming part of the Restatement Financial Information

Note : 36 A. Restated Reconciliation statement of equity as previously reported under IGAAP to Ind AS as at March 31, 2016

Particulars	Foot Note	As per previous GAAP*	Effects of transition to Restatment	Effects of transition to Ind AS	As at 31 March 2016 (Proforma)
ASSETS					
Non-current assets					
Property, Plant and Equipment		10434.40	-	-	10,434.40
Capital Work in Progress		4384.78	-	-	4,384.78
Intangible assets	4	515.93	-	81.83	597.76
Intangible assets under development		17.14	-	-	17.14
<u>Financial Assets</u>					
Non Current Investments		0.10	-	-	0.10
Loans		61.62	-	-	61.62
Other non-current assets		35.09	(35.09)	-	-
		15,449.06	(35.09)	81.83	15,495.80
Current assets					
Inventories		1982.18	-	-	1,982.18
<u>Financial Assets</u>					
Trade receivables	6	2100.61	-	(1.10)	2,099.51
Cash and cash equivalents		270.75	-	(0.01)	270.74
Bank balances other than cash & cash equivalents		91.69	-	-	91.69
Loans		-	-	-	-
Other current assets		1306.54	(6.90)	-	1,299.64
		5,751.77	(6.90)	(1.10)	5,743.77
		21,200.83	(41.99)	80.73	21,239.57
EQUITY AND LIABILITIES					
EQUITY					
Equity Share capital		5.00	-	-	5.00
Equity -Pending Allotment		2,057.80	-	-	2,057.80
Other Equity	8	5,111.51	-	184.52	5,296.03
		7,174.31	-	184.52	7,358.83
LIABILITIES					
Non-current liabilities					
<u>Financial Liabilities</u>					
Non Current Borrowings	3	7721.03	-	(271.35)	7,449.68
Provisions		98.01	(89.92)	-	8.09
Deferred Tax Liabilities	5	254.67	(86.10)	(6.67)	161.90
		8,073.71	(176.03)	(278.02)	7,619.67
Current liabilities					
<u>Financial Liabilities</u>					
Current Borrowings		1763.65	-	-	1,763.65
Trade payables		3189.96	-	-	3,189.96
Other financial liabilities		421.28	-	-	421.28
Other current liabilities	3	303.11	-	270.64	573.75
Provisions		62.45	-	-	62.45
Current tax liabilities (net)		212.36	37.61	-	249.97
		5,952.81	37.61	270.64	6,261.06
		21,200.83	(138.41)	177.14	21,239.56

B. Restated Reconciliation statement of profit and loss as previously reported under IGAAP to IND AS for the year ended March 31, 2016

Particulars	Foot Note	As per previous GAAP*	Effects of transition to Restatement	Effects of transition to Ind AS	Year ended 31 March 2016 (Proforma)
INCOME					
Revenue from operations	1,2	14750.74		2,155.79	16,906.53
Other income	3	44.31		22.76	67.07
Total income		14,795.05	-	2,178.55	16,973.60
EXPENSES					
Cost of materials consumed		10860.31	-	-	10,860.31
Changes in inventories of finished goods, work in process and stock in trade		(1,367.91)	-	-	(1,367.91)
Excise Duty	2	-	-	2,159.90	2,159.90
Employee benefits expense		652.85	(89.93)	-	562.92
Finance costs	3	1094.69	-	22.05	1,116.74
Depreciation and amortisation expense	4	598.87	-	(81.82)	517.05
Other expenses	3,6	1083.53	35.09	(3.01)	1,115.61
Total expenses		12,922.34	(54.84)	2,097.11	14,964.62
Profit / (Loss) before Exceptional items & tax		1,872.71	54.84	81.43	2,008.97
Exceptional Items		1,874.17	-	-	1,874.17
Profit / (Loss) before tax		(1.46)	54.84	81.43	134.81
Tax expenses					
- Current tax		8.62	9.89	-	18.51
- Mat (Entitlement)		-	(15.29)	-	(15.29)
- (Excess)/Short Tax provision for earlier years		31.78	2.71	-	34.49
- Deferred tax	5	400.34	(38.90)	(6.67)	354.77
Total tax expense		440.74	(41.59)	(6.67)	392.48
Profit / (loss) for the year		(442.20)	96.43	88.10	(257.67)
Other Comprehensive Income					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Remeasurement of employee defined benefit obligation		-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
Total comprehensive income for the year		(442.20)	96.43	88.10	(257.67)

C. Restated Reconciliation statement of equity as previously reported under IGAAP to Ind AS as at March 31, 2017

Particulars	Foot Note	As per previous GAAP*	Effects of transition to Restatement	Effects of transition to Ind AS	As at 31 March 2017 (Proforma)
ASSETS					
Non-current assets					
Property, Plant and Equipment		11285.57	-	-	11,285.57
Capital Work in Progress		2933.59	-	-	2,933.59
Intangible assets	4	421.23	-	176.53	597.76
Intangible assets under development		17.14	-	-	17.14
<u>Financial Assets</u>		-	-	-	-
Non Current Investments		0.10	-	-	0.10
Loans		49.81	-	-	49.81
Other non-current assets		28.09	(28.09)	-	-
		14,735.53	(28.09)	176.53	14,883.97
Current assets					
Inventories		3345.85	-	-	3,345.85
<u>Financial Assets</u>		-	-	-	-
Trade receivables	6	3504.17	-	(7.12)	3,497.05
Cash and cash equivalents		14.21	-	-	14.21
Bank balances other than cash & cash equivalents		102.02	-	-	102.02
Loans		-	-	-	-
Other current assets		1013.48	(31.91)	-	981.57
		7,979.73	(31.91)	(7.12)	7,940.68
		22,715.26	(60.00)	169.41	22,824.65
EQUITY AND LIABILITIES					
EQUITY					
Equity Share capital		5.00	-	-	5.00
Equity -Pending Allotment	8	2,057.80	-	-	2,057.80
Other Equity	8	5,491.17	-	38.23	5,529.40
		7,553.97	-	38.23	7,592.20
LIABILITIES					
Non-current liabilities					
<u>Financial Liabilities</u>		-	-	-	-
Non Current Borrowings	3	8465.76	-	(397.73)	8,068.03
Provisions		125.81	(112.24)	-	13.57
Deferred Tax Liabilities	5	12.87	56.64	40.10	109.61
		8,604.44	(55.60)	(357.63)	8,191.21
Current liabilities					
<u>Financial Liabilities</u>		-	-	-	-
Current Borrowings		2318.51	-	-	2,318.51
Trade payables		2538.40	-	-	2,538.40
Other financial liabilities		1228.46	-	-	1,228.46
Other current liabilities	3	102.29	-	393.86	496.15
Provisions		162.27	48.61	-	210.88
Current tax liabilities (net)		206.92	41.93	-	248.85
		6,556.85	90.54	393.86	7,041.25
		22,715.26	34.94	74.46	22,824.65

D. Restated Reconciliation statement of profit and loss as previously reported under IGAAP to IND AS for the year ended March 31, 2017					
Particulars	Foot Note	As per previous GAAP*	Effects of transition to Restatement	Effects of transition to Ind AS	Year ended 31 March 2017 (Proforma)
INCOME					
Revenue from operations	1,2	19966.25		1,856.67	21,822.92
Other income	3	27.18		190.23	217.41
Total income		19,993.43	-	2,046.90	22,040.33
EXPENSES					
Cost of materials consumed		14167.04		-	14,167.04
Changes in inventories of finished goods, work in process and stock in trade		(1,078.36)		-	(1,078.36)
Excise Duty	2	-		1,947.79	1,947.79
Employee benefits expense		978.91	(23.53)	-	955.38
Finance costs	3	932.06	-	235.66	1,167.72
Depreciation and amortisation expense	4	863.51	-	(94.70)	768.81
Other expenses	3,6	1370.6	(7.00)	(85.09)	1,278.51
Total expenses		17,233.76	(30.53)	2,003.66	19,206.88
Profit / (Loss) before Exceptional items & tax		2,759.67	30.53	43.24	2,833.45
Exceptional Items		3,061.30	(442.20)	-	2,619.10
Profit / (Loss) before tax		(301.63)	472.73	43.24	214.35
Tax expenses					
- Current tax		-	32.05	-	32.05
- Mat (Entitlement)		-	(31.72)	-	(31.72)
- (Excess)/Short Tax provision for earlier years		2.71	(2.71)	-	-
- Deferred tax	5	(241.80)	268.00	(46.77)	(20.57)
Total tax expense		(239.09)	265.61	(46.77)	(20.24)
Profit / (loss) for the year		(62.54)	207.12	90.01	234.59
Other Comprehensive Income					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Remeasurement of employee defined benefit obligation	7	-		(1.64)	(1.64)
Income tax relating to items that will not be reclassified to profit or loss	5,7	-		0.42	0.42
		-	-	(1.21)	(1.21)
Total comprehensive income for the year		(62.54)	207.12	88.80	233.38

1) Revenue

Under Previous GAAP, revenue is recognised net of discounts and rebates. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after the deduction of cash discounts. any incentives, freight on sales & Insurance on sales. Discounts given to customers, freight on sales & Insurance on sales have been reclassified from 'other expense' under Previous GAAP and deducted from revenue under Ind AS. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 & March 31, 2016.

2) Excise duty

Under previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 & March 31, 2016.

3) Non Current Borrowings

Under the previous GAAP, interest free Unsecured Loans are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these loans under Ind AS. Difference between the fair value and transaction value of the loans has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

4) Depreciation and amortisation expense

Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit & Loss. Intangible assets (Patents) is assessed with indefinite useful lives hence no depreciation has been charged for the same.

5) Deferred tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional and restatement adjustments lead to temporary differences.

6) Trade Receivable

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

-The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

7) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

8) Retained earnings

Retained earnings as at March 31, 2016 and March 31, 2017 has been adjusted consequent to the Ind AS transition and restatement adjustments mentioned herewith

LASA SUPERGENERICS LIMITED
Notes forming part of the Restatement Financial Information

Note 37 : First time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments (other than equity investments in subsidiaries, associates & joint arrangements) at FVPL on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in equity investments.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

A.2 Ind AS mandatory exceptions

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- 1) Investment in equity instruments carried at FVPL or FVOCI;
 - 2) Impairment of financial assets based on expected credit loss model.
- Consequently, the company has applied the above requirement prospectively.

LASA SUPERGENERICS LIMITED
Notes forming part of the Restatement Financial Information

Note 38 : Composite Scheme of Arrangement

a) The merger of Lasa Laboratory Private Limited (Company Registration Number: 114317 and having Corporate Identification Number: U24297MH1998PTC114317) incorporated on 02/04/1998 under the provisions of Companies Act, 1956, Urdhwa Chemicals Company Private Limited (Company Registration Number: 040668 and having Corporate Identification Number: U24100MH1986PTC040568) incorporated on 20/08/1986 under the provisions of Companies Act, 1956, Rishichem Research Limited (Company Registration Number: 088969 and having Corporate Identification Number: U24110MH1995P1C088969) incorporated on 30/05/1995 under three provisions of Companies Act, 1956 and Desh Chemicals Private Limited (Company Registration Number: 031424 and having corporate Identification Number: U24111MH1983PTC031424) incorporated on 25/11/1983 under the provisions of Companies Act, 1956 with Omkar Speciality Chemicals Limited (Company Registration Number: 151589 and having corporate Identification Number: L24L70MH2005P1C151589) incorporated on 24/02/2005 under the provisions of Companies Act, 1956; and

b) The demerger of the Veterinary API Undertaking of Omkar Speciality Chemicals Limited into Lasa Supergenerics Limited (Company Registration Number: 274202 and having Corporate Identification Number: U24233MH20L6PLC274202) incorporated on March 11, 2016 under the provisions of Companies Act, 2013;

All assets, liabilities and reserves of Veterinary API undertaking of Omkar Speciality Chemicals Limited (OSCL) have been vested with the Company with effect from April 1, 2015 and have been recorded at their respective book values in accordance with the Scheme.

Particulars	Amount
Book value of assets, liabilities and reserves of API Undertaking	
Assets	
Property, Plant & Equipment	10,428.72
Intangible assets	402.05
Capital work-in-progress	2,288.08
Non - Current Financial Assets :	
Non-current investments	0.1
Long term loans and advances	61.08
Inventories	3,409.94
Current Financial Assets :	
Trade receivables	1,815.54
Cash and cash equivalents	321.15
Short-term loans and advances	1,516.00
Other current assets	55.85
Total (i)	20,298.51
Liabilities	
Non - Current Financial Liabilities :	
Long-term borrowings	6,768.05
Deferred tax liabilities Net	-145.66
Long term provisions	27.77
Current Financial Liabilities :	
Short-term borrowings	1,993.16
Trade payables	3,107.53
Other current liabilities	401.23
Short-term provisions	534.93
Total (ii)	12,687.01
Equity	
Equity Share Capital	2,057.80
Other Equity:	
Capital Reserve	5,553.70

Annexure V
LASA SUPERGENERIC LIMITED
Notes forming part of the Restatement Financial Information

Note 39 : Financial Risk Management and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a)(i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

Exposure to interest rate risk

Particulars	(Rupees in Lakhs)			
	As at 30 June 2018	As at 31 March 2018	As at 31 March 2017 (Proforma)	As at 31 March 2016 (Proforma)
Fixed-rate instruments				
Financial Liabilities - Borrowings	1,947.81	1,599.31	3,163.54	5,471.43
Total	1,947.81	1,599.31	3,163.54	5,471.43

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a)(ii) Market Risk - Price Risk

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company does make deposit with the banks to provide security against guarantee issued by bank to company's trade payables. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(a)(iii) Market Risk - Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company is exposed to currency risk on account of its trade payables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible

Exposure to Currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

Particulars	Foreign Currency	(Foreign Currency in lakhs)			
		As at 30 June 2018	As at 31 March 2018	As at 31 March 2017 (Proforma)	As at 31 March 2016 (Proforma)
Financial Assets					
Trade and other receivables	USD	5.16	1.15	5.59	3.47
	EURO	0.07	0.07	0.14	-
Financial Liabilities					
Trade and other payables	USD	4.73	7.32	2.60	4.34

Sensitivity analysis to currency risk

Foreign Currency	(Rupees in Lakhs)							
	As at 30 Jun 2018		As at 31 March 2018		As at 31 March 2017 (Proforma)		As at 31 March 2016 (Proforma)	
	3% increase	3% Decrease	3% increase	3% Decrease	3% increase	3% Decrease	3% increase	3% Decrease
USD	0.89	(0.89)	(12.11)	12.11	5.82	(5.82)	(1.73)	1.73
EURO	0.16	(0.16)	0.17	(0.17)	0.28	(0.28)	-	-
Total	1.052	(1.052)	(11.949)	11.949	6.102	(6.102)	(1.728)	1.728

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

Particulars	(Rupees in Lakhs)			
	As at 30 June 2018	As at 31 March 2018	As at 31 March 2017 (Proforma)	As at 31 March 2016 (Proforma)
Opening balance of expected loss provision	8.21	57.12	35.00	-
Add : Provisions made (net)	-3.92	1.09	22.12	35.00
Less : Utilisation for impairment / de-recognition		50.00	-	-
Closing balance	4.29	8.21	57.12	35.00

Other Financial Assets

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2018, 2017 and 1st April, 2016 is the carrying value of each class of financial assets.

(c)Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	(Rupees in Lakhs)							
	As at June 30, 2018		As at March 31, 2018		As at 31 March 2017 (Proforma)		As at 31 March 2016 (Proforma)	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	1,815.69	6,417.04	1,656.08	6,026.99	1,191.68	8,068.03	395.62	7,449.68
Interest accrued but not due on borrowings	34.56	-	42.00	-	48.61	-	-	-
Working Capital Loans from Banks	2,339.25	-	2,983.04	-	2,318.51	-	1,763.65	-
Trade Payables	3,388.57	95.96	4,654.11	139.41	2,508.16	30.24	3,180.30	9.66
Other Financial Liabilities	66.81	-	55.81	-	36.78	-	25.66	-
	7,644.88	6,513.00	9,391.04	6,166.40	6,103.74	8,098.27	5,365.23	7,459.34

(d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 15 and Refer Note No. 18 for the detailed terms and conditions of the collaterals pledged.

For Thanawala & Co.
Chartered Accountants
Firm Registration No.: 110948W

For Lasa Supergenies Limited

CA Vijay Thanawala
(Proprietor)
M.No.: 15632

Omkar Herlekar
(Chairman & Managing Director)
DIN:01587154

Mithun Jadhav
(Whole Time Director)
DIN:08181048

Place : Mumbai
Date : 8th October, 2018

Nidhi Kulshrestha
(Company Secretary)

Ravi Shankar Kabra
(Chief Financial Officer)

LASA SUPERGENERIC LIMITED
Notes on material adjustment to the financial statements

Below mentioned is the summary of results of adjustments made in the audited standalone financial statements of the respective period and its impact on restated summary statement of profit and loss

Particulars	Year Ended 31st March 2017 (Proforma)	Year Ended 31st March 2016 (Proforma)
Net Profit/Loss as per previous GAAP (Indian GAAP)	(62.53)	(442.19)
Income Tax Provision for Current Year net of MAT Credit	(0.33)	(9.89)
Earlier Year Tax	2.71	(2.71)
Mat Credit		15.29
Net Profit/Loss as per previous GAAP (Indian GAAP) Restated	(60.15)	(439.51)
Provisions for Expected Credit Loss	(6.02)	(1.10)
Interest Expense recognised on loans carried at amortised cost (Refer Note 1)	(187.06)	(22.04)
Interest Income recognised on loans carried at amortised cost (Refer Note 1)	190.23	22.75
Reversal of Amortisation on Intangible asset (Refer Note 2)	94.70	81.83
Actuarial Gain/(Loss) on defined benefit plan Transferred to OCI (Refer Note 3)	(1.64)	-
Deferred tax impact on Actuarial gain/loss classified to OCI (Refer Note 4)	0.42	-
Errors of earlier years now rectified :		
Prior period items of earlier years (Exceptional Items)	442.19	-
Gratuity	22.32	89.92
Interest on ECB	(48.61)	-
Preliminary Expenses Written off	7.00	(35.09)
Error of Reversal of Amortisation of Intangibles	(160.14)	-
Deferred tax impact of above	(45.92)	45.57
Change in deferred tax on account of change in tax rate	(12.73)	-
Net Profit/Loss for the year as per IND AS	234.59	(257.67)
Other Comprehensive Income		
Actuarial Gain/(Loss) on defined benefit plan Transferred from Profit and Loss (net of tax)	(1.21)	-
Total Comprehensive Income / (Loss) for the year	233.38	(257.67)

Reconciliation of Equity as at April 1, 2016 between previous GAAP and IND AS

(Rs in Lakhs)

Particulars	Year Ended 31st March 2016 (Proforma)
Equity as per Previous GAAP	7,174.31
Add/(Less) :	
Recognition of Expected Credit Loss (ECL). (Refer Note 5)	(1.10)
Impact on finance cost due to interest calculation as per effective interest method (Refer Note 1)	0.71
Preliminary Expenses written off	(35.09)
Prior Period Item - Gratuity	89.92
Amortisation of intangible assets (Refer Note 2)	81.83
Deferred Taxes on indexed cost of land (Refer Note 4)	7.88
Earlier years adjustments of Deferred Tax	41.84
Error in deferred tax	(4.25)
Deferred Taxes	0.10
Earlier years adjustments of Taxes	2.68
Equity as per IND AS	7,358.83

Notes

1) Based on Ind AS - 109, financial assets in the form of long term interest free deposits to landlords have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.

2) Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit & Loss. Intangible assets (Patents) is assessed with indefinite useful lives hence no depreciation has been charged for the same.

3) Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

4) Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional and restatement adjustments lead to temporary differences.

5) In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

-The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

Annexure VII
LASA SUPERGENERICS LIMITED
Restated Standalone Statement of Accounting Ratios

Particulars	As on 30 June, 2018	As on 31 March, 2018	As on 31 March, 2017 (Proforma)	As on 31 March, 2016 (Proforma)
Earnings per equity share				
Basic EPS (Rs.)	(0.82)	5.29	1.14	(1.25)
Anti Diluted/Diluted EPS (Rs.)	(0.82)	5.29	1.14	(1.25)
Return on Net Worth %	-1.63%	10.25%	3.09%	-3.50%
Net asset value per equity share (Rs.)	47.82	48.64	33.82	32.69
Weighted average number of equity shares for Basic Earnings Per Equity Share	22,864,445	22,731,015	20,628,000	20,628,000
Weighted average number of equity shares for Diluted Earnings Per Equity Share	22,864,445	22,731,015	20,628,000	20,628,000
Net Profit after tax, as restated	(188.08)	1,203.39	234.59	(257.67)
Number of equity shares outstanding at the end of the year/period (Refer Note no. 6)	22,864,449	22,864,449	20,628,000	20,628,000
Share Capital	2,286.44	2,286.44	5.00	5.00
Equity - Pending Allotment			2,057.80	2,057.80
Reserves (other equity), as restated	9,271.53	9,459.61	5,529.40	5,296.03
Net worth, as restated	11,557.97	11,746.06	7,592.20	7,358.83
Less : - Intangible Assets	624.49	624.49	614.90	614.90
Net asset value (NAV)	10,933.48	11,121.57	6,977.30	6,743.93

Notes:

1. The ratio on the basis of Restated financial information have been computed as follows:

Basic Earnings per share (Rs.) =	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$
Diluted Earnings per share (Rs.) =	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$
Returns on net worth (%) =	$\frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year/period}}$
Net Assets Value (NAV) per equity share (Rs) =	$\frac{\text{Net assets value (NAV), as restated at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/period}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

3. Net worth = Equity share capital + Other equity (including Securities premium and Surplus/(Deficit))

4. Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

5. The above ratios have been computed on the basis of Restated Financial Information.

6. Number of equity shares outstanding at the end of the year/period are computed considering share accounted at the time of demerger, however these shares are shown in Share Suspense Account in the Balance Sheets prepared as per Indian GAAP and IND AS.

Annexure VIII
LASA SUPERGENERICS LIMITED
Capitalisation statement as at June 30, 2018

Particulars	Pre Issue as at June 30, 2018	Pre Issue as at March 31, 2018	As Adjusted for offer (Refer Note)
Debt			
Short Term Borrowings			
Current financial liabilities - Borrowings (A)	2,339.25	2,983.04	
Non Current financial liabilities - Borrowings (B)	6,417.04	6,026.99	
Total C (A+B)	8,756.29	9,010.04	
Shareholder's funds			
Share capital	2,286.44	2,286.44	
Reserves and Surplus, as restated			
Capital reserve	5,553.70	5,553.70	
Securities premium	2,728.43	2,728.43	
Retained earnings	989.39	1,177.48	
Total Shareholder's funds (D)	11,557.97	11,746.06	
Long term debt/ equity (B/D)	0.56	0.51	
Total Debt /equity (C/D)	0.76	0.77	

Notes :

- Long term debt/ equity has been computed as =
$$\frac{\text{Non Current financial liabilities - Borrowings}}{\text{Total equity}}$$
- Total debt/ equity has been computed as
$$\frac{\text{Total Borrowings}}{\text{Total equity}}$$
- Short term Borrowings represents borrowings due within 12 months from the balance sheet date and also includes current maturities of long term borrowings.
- Long term Borrowings represents borrowings due after 12 months from the balance sheet date.
- The corresponding post Right issue capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the right issue process and hence the same have not been provided in the above statement.
- The above statement should be read with the notes to restated Consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure- I, II, IV.

Annexure IX
LASA SUPERGENERICS LIMITED
Notes forming part of the Restatement Financial Information
Tax Shelter Statement

Particulars	Period ended 30.06.2018	Year ended 31.03.2018	Year ended 31.03.2017 (Proforma)	Year ended 31.03.2016 (Proforma)
Restated Profit & Loss (As per IND AS)	(217.64)	1,523.33	214.35	134.81
Profit & Loss (As per Indian GAAP)	-	-	(301.62)	45.22
Domestic Tax Rate	25.75%	34.61%	34.61%	33.06%
Tax Liability (As per Indian GAAP)	-	-	(104.39)	14.95
Profit/(loss) before tax as per books	(217.64)	1,523.33	214.35	134.81
Adjustments				
Depreciation as per books	480.13	1,816.66	863.51	598.87
Depreciation as per income tax	(373.64)	(2,446.69)	(1,282.39)	(1,237.41)
Deduction u/s 35(2)-R&D Capital Expenditure	9.00	(1,231.37)	(208.15)	(499.99)
Other Disallowances / (Allowances)	5.37	68.29	52.29	114.97
Adjustments	(96.78)	(269.78)	(360.40)	(888.74)
Tax on adjustments (A)	-	(93.37)	(124.73)	(293.82)
Tax as per normal provisions	-	(93.37)	(229.12)	(278.87)
MAT (B)	-	392.31	32.05	18.51
Tax for the year (Higher of A or B)	-	392.31	32.05	18.51
Tax at statutory income tax rate	-	-	(104.39)	14.95
Tax on adjustments	-	(93.37)	(124.73)	(293.82)
Difference in tax as per normal provisions and MAT	-	485.68	261.17	297.38
Deferred tax				
PPE	(31.48)	611.11	161.58	164.42
MAT Credit Entitlement	-	(493.91)	(31.72)	(15.29)
Accumulated Loss Urdhwa as on 31-03-2015	(40.73)	(110.17)	(225.66)	(242.88)
Other temporary differences	42.65	(79.39)	43.51	102.39
Deferred Tax provision on account of Merger and Demerger	-	-	-	330.84
Excess/ Short Provision of Earlier Years	-	-	-	34.49
Total Tax Expenses	(29.56)	319.94	(20.24)	392.48
As per Profit & Loss Account				
Total tax expense as per restated statement of profit and loss	(29.56)	813.85	11.48	373.28
Excess/ Short Provision of Earlier Years	-	-	-	34.49
MAT Credit Entitlement	(0.00)	(493.91)	(31.72)	(15.29)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial information as of and for the quarter ended June 30, 2018 and for the years ended March 31, 2018, 2017 and, 2016, all prepared in accordance with the Companies Act and Ind AS and restated in accordance with the ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in "Financial Statements" on page 163 of this Draft Letter of Offer. Unless otherwise stated, the financial information used in this section is derived from the restated financial statements of our Company.

Unless otherwise indicated in this section, financial information included in this section have been derived from our restated financial information for the quarter ended June 30, 2018 and for the years ended March 31, 2018, 2017 and 2016. For further information, see the "Presentation of Financial Information and Use of and Market Data" on page 13 of this Draft Letter of Offer.

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 the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 16 and 15 respectively, of this Draft Letter of Offer.

Unless otherwise stated, the information in this section is derived from "Global Veterinary Industry Overview" dated June 5, 2018 by Knowledge Resources Group. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

References to the "Company", "we", "us" and "our" in this chapter refers to Lasa Supergenerics Limited, as applicable in the relevant fiscal period, unless otherwise stated.

Overview

We are an R&D focused, vertically integrated pharmaceuticals company engaged in the development and manufacturing of active pharmaceutical ingredients ("APIs") primarily used for veterinary health care. As of September 30, 2018, we have a diverse mix of more than 13 niche anthelmintics i.e., veterinary API products, including Piperazines, Benzimidazole, Heterocyclics etc. We sell APIs to customers in domestic and various international markets including China, Germany, and Egypt. We have the capabilities to develop and manufacture products with multi-step synthesis which may comprise of semi synthetic fusion technologies, high-potency APIs and peptide chemistry. As of September 30, 2018, we have filed 10 active Drug Master Files ("DMFs") with the United States Food and Drug Administration for our API products in therapeutic areas such as anthelmintic, disinfective, phosporous supplement, anti-protozoal etc. Our top five revenue generating products are Albendazole, Fenbendazole, Halquinol, Nitroxylin and Povidone Iodine.

Our Company has a fully backward integrated API manufacturing model, which aids in lowering product costs. We also place a great deal of focus on use of catalysts in the API manufacturing process which has helped us increase our gross profit margins.

Our Company was incorporated in Mumbai, Maharashtra, India as a public limited company on March 11, 2016, under the name of Lasa Supergenerics Limited. Pursuant to a Scheme of Arrangement between Omkar Speciality Chemicals Limited and Lasa Supergenerics Limited and their respective shareholders, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited and Desh Chemicals Limited were amalgamated with Omkar Speciality Chemicals Limited and the Veterinary API undertaking of Speciality

Chemicals Limited was vested in our Company with effect from May 2, 2017. For further information on Scheme of Arrangement, see “*History and Certain Corporate Matters*” beginning on page 131 of this Draft Letter of Offer.

Our product portfolio comprised of 13 products as of September 30, 2018. Our product portfolio is primarily focused on Active Pharmaceutical Ingredients (“**APIs**”). We have developed capabilities in the commercialization of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects. We have strong sales, marketing and distribution capabilities in India with 1 sales division focused on developing and growing our engagement with specialists and super specialists.

Our business operations are supported by modern manufacturing facilities located in India. We have 4 facilities with a total reactor capacity of 1,000 KL located at Mahad and Chiplun, Maharashtra, engaged in the manufacture of APIs, out of which one unit is FDA approved and WHO c-GMP certified. Our facilities are primarily engaged in the manufacture of Albendazole which is an API used in the animal health products. We believe that our experience in animal health segment, our dedicated manufacturing facilities and our growing product portfolio would enable us to capitalise on the growth in the animal health segment in India as well as globally.

In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations, and has substantial experience in pharmaceutical sales and marketing. Our R&D efforts are primarily focused across the value chain of generics development for API process development. We have a team of total 20 employees working across our manufacturing and R&D facilities located in India. We have in the past built a comprehensive portfolio of animal health APIs based on our research and development activities, and boast of a substantial customer base for each of our products.

Our total expenditure on R&D was ₹ 208.15 lakhs constituting 0.95% of total revenue, ₹ 1231.37 lakhs constituting 4.94% of total revenue and ₹ 9.00 lakhs constituting 0.27 % of total revenue for Fiscal 2017, Fiscal 2018 and period ended June 30, 2018 respectively. We have also applied for 6 process patents worldwide and the same are pending before the Office of the Controller General of Patents, Designs & Trade Marks (“**CGPDTM**”).

Presentation of Financial Information

Scheme of Demerger

Our Company was incorporated as “Lasa Supergenerics Limited” on March 11, 2016 as a public company under the provisions of Companies Act, 2013 having registration number 274202 of 2016 with the Registrar of Companies, Mumbai (“**RoC**”). Our Company has received its Certificate of Incorporation dated March 11, 2016 from the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is L24233MH2016PLC274202.

Pursuant to a Scheme of Arrangement which was sanctioned by the Hon’ble National Company Law Tribunal, Mumbai Bench vide Order dated April 13, 2017, and which took effect on May 2, 2017, four wholly owned subsidiary companies of Omkar Speciality Chemicals Limited were merged into Omkar Speciality Chemicals Limited, and the Veterinary API Undertaking of Omkar Speciality Chemicals Limited was demerged into our Company. Prior to the aforementioned Scheme of Arrangement, our Company was not doing any business.

As a result of the said Scheme of Arrangement, the Veterinary API Undertaking of Omkar Speciality Chemicals Limited was demerged into our Company, and our Company ceased to be a wholly owned subsidiary of Omkar Speciality Chemicals Limited as its post demerger shareholding in our Company was reduced to 10% (ten percent).

Transition from Indian GAAP to Ind AS Financial Statements

The Ministry of Corporate Affairs, GoI pursuant to a notification dated February 16, 2015 set out the timelines for the implementation of Ind AS. Pursuant to the notification, we were required to prepare our financial statements in accordance with Ind AS from April 1, 2016, as required under Section 133 of the Companies Act, 2013 read with circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Accordingly, our Company has prepared its restated financial statements in accordance with Ind AS with effect from April 1, 2016 (together with the restated financial statements for corresponding periods in previous years). For

purposes of transition to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards (“Ind AS 101”) with April 1, 2016 as the transition date. For all periods up to and including Fiscal 2017, we prepared our financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”).

Ind AS varies in many respects from Indian GAAP under which our financial statements are currently prepared and presented, and has different accounting policies for certain items under Indian GAAP. Accordingly our Ind AS financial statements will not be comparable with our historical Indian GAAP financial statements. In this Draft Letter of Offer, we have elected to present financial information for Fiscal 2016, 2017 and 2018 in accordance with Ind AS, and have not included our historical Indian GAAP financial statements. Our Restated Financial Statements included in this Draft Letter of Offer also include reconciliation statements of the Ind AS financial statements for Fiscal 2017 and Fiscal 2016 with our historical Indian GAAP financial statements for Fiscal 2016 and Fiscal 2017, explaining the impact of the transition from Indian GAAP to Ind AS on the preparation and presentation of our financial statements. For the purposes of preparing Restated Financial Statements, we have followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e., April 1, 2016. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads have been made to Restated Financial Statements as at March 31, 2016 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS. Further, the financial information for Fiscal 2017 and 2018 are provisional since there is a possibility that it may require adjustments before constituting the final Ind AS financial statements for Fiscal 2018.

Significant developments subsequent to the last Fiscal:

A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the offer document and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Significant developments after March 31, 2018 that may affect our future results of operations

In the opinion of our Directors of our Company, no circumstances have arisen since March 31, 2018 which materially and adversely affect or are likely to affect the profitability or increase the losses of our Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months

1. Approval on re-classification of few Promoters to Public Category.
National Stock Exchange vide their letter bearing No. NSE/LIST/44127 dated April 16, 2018 and BSE vide their letter bearing No. LIST/COMP/MI/7/2018-19 dated April 16, 2018 approved reclassification of certain Promoter’s / Promoter group.
2. Acquisition of Plot No. N 31 Unit belongs to Abhinandan Rasayan Private Limited.
The said acquisition is under dispute with lender.
3. Changes of the KPMs and Board of Directors.
4.
 - Mr. Sumant Kharasambale Resigned from the post of Whole-time Director w.e.f. June 16, 2018.
 - Mr. Hitesh Wadhvani resigned from the post of company secretary & Compliance officer w.e.f. June 16, 2018.
 - Mrs. Nidhi Kulshrestha appointed Company Secretary & Compliance Officer w.e.f. June 16, 2018
 - Mr. Mithun Jadhav Appointed as Whole-time Director w.e.f. August 13, 2018
 - Mr. Ravishankar Kabra Appointed as Chief Financial Officer (CFO) w.e.f. August 13, 2018
5. Re-classification of Promoter and Promoter group

National Stock Exchange vide their letter bearing No. NSE/LIST/44127 dated April 16, 2018 and BSE vide their letter bearing No. LIST/COMP/MI/7/2018-19 dated April 16, 2018 approved reclassification of certain Promoter's / Promoter group accordingly below promoters / promoter group is reclassified as public:

- Mr. Pravin Shivdas Herlekar
- Mr. Rishikesh Pravin Herlekar
- Omkar Speciality Chemicals Limited
- Svaks Biotech India Private Limited

Significant Factors Affecting Our Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled '*Risk Factors*' on page 16 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- General economic and business environment;
- Changes in the reforms and regulations applicable to the various industries to which our Company caters;
- Macro-Economic Factors;
- Manufacturing Costs and Quality of our Manufacturing Facilities;
- Our ability to retain our Skilled Personnel; and
- Government Policies and Regulations.

Significant Accounting Policies

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled "*Financial Information*" on page 163 of this Draft Letter of Offer.

Reservations, Qualifications and Adverse Remarks

For details please refer section titled "*Financial Information*" on page 163 of this Draft Letter of Offer.

Description of Principal Components of Income and Expenditure

Results of Operations

Main Components of our Profit and Loss Account

Income

Revenue from operations

Our income comprises of sale of manufactured products of Veterinary Pharmaceuticals.

Other Income

Our other income includes predominantly of interest income.

Expenses

Our expenses primarily consist of (i) cost of materials consumed, (ii) changes in inventories of finished goods and work-in-progress trade, (iv) excise duty on sale of goods, (v) employee benefit expense, (vi) finance costs, (vii) depreciation and amortization expense, and (viii) other expenses including power and fuel, traveling and conveyance and Freight and forwarding charges.

Cost of Materials Consumed

Cost of material consumed comprises the cost of the raw materials used by us in the manufacturing process of our products. Raw materials purchased represent a significant majority of our total expenditure. Raw material consumed is adjusted for opening stock and closing stock for raw materials. Our increased production, resulting from increased capacity and sales, has strengthened our negotiating position with our suppliers and has enabled us to get higher quantity discounts and other favorable terms. Wastage in production has also decreased due to increased automation and higher width production lines leading to relatively lower raw material requirements. Any increase in the price of raw materials is usually passed on to customers.

Employee Benefit Expense

Employee benefit expenses include salaries, sales commission, wages, bonus, and staff welfare expenses.

Other Operating Expenses

Our other expenses primarily include rent, electricity charges, foreign travelling and conveyance expenses, legal and professional fees, forex losses, insurance expenses, job work outsourcing charges, office and administrative expenses.

Finance Cost

Our finance cost comprises of interest on debt, bank and other finance charges.

Depreciation and Amortization Expense

Depreciation expenses primarily consist of depreciation on the tangible assets of our Company which primarily includes vehicles, computers and accessories and other office equipment and furniture and intangibles like software.

The following table sets out select financial data from our restated consolidated statements of profit and loss for Fiscal Years 2017, 2016 and 2015, the components of which are also expressed as a percentage of total revenue for such periods. The period-to-period comparison of results is not necessarily indicative of results for future periods.

Other Expenses

Other expenses consist of cost of power and fuel, consumption of stores and spares, excise duties on inventories, freight and forwarding charges, legal and professional fees and repairs and maintenance.

Results of our Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particular	Quarter ended June 30, 2018	Percentage of total income (%)	<i>(₹ in lakhs)</i>					
			Fiscal 2018	Percentage of total income (%)	Fiscal 2017	Percentage of total income (%)	Fiscal 2016	Percentage of total income (%)
INCOME								
Revenue from Operations	3,292.0 6	97.00%	24,583.8 8	98.60%	21822.92	99.01%	16906.53	99.60%

Particular	Quarter ended June 30, 2018	Percentage of total income (%)	Fiscal 2018	Percentage of total income (%)	Fiscal 2017	Percentage of total income (%)	Fiscal 2016	Percentage of total income (%)
Other Income	101.89	3.00%	348.66	1.40%	217.41	0.99%	67.07	0.40%
Total Income (A)	3393.95	100.00%	24932.54	100.00%	22040.33	100.00%	16973.60	100.00%
EXPENDITURE								
Cost of materials consumed	1,701.12	67.79%	17205.86	69.01%	14167.04	64.28%	10860.31	63.98%
Cost of goods traded	599.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in inventories of finished goods, work in process and stock in trade	(184.29)	(5.43%)	(55.34)	0.22%	(1,078.36)	(4.89%)	(1,367.91)	(8.06%)
Excise Duty	0.00	0.00%	231.29	0.93%	1947.79	8.84%	2159.90	12.73%
Employee benefit expenses	268.22	7.90%	1,027.09	4.12%	955.38	4.33%	562.92	3.32%
Finance costs	360.97	10.64%	1,134.35	4.55%	1167.72	5.30%	1116.74	6.58%
Depreciation and amortisation expense	480.13	14.15%	1,816.66	7.29%	768.81	3.49%	517.05	3.05%
Other Expenses	385.65	11.36%	2,049.30	8.22%	1278.51	5.80%	1115.61	6.57%
Total Expenses (B)	3611.59	88.74%	23409.21	93.89%	19206.88	87.14%	14964.62	88.16%
Profit before extraordinary items and tax	(217.64)	(6.41%)	1523.33	6.11%	2833.45	12.86%	2008.98	11.84%
Profit before exceptional, extraordinary items and tax (A-B)	(217.64)	(6.41%)	1523.33	6.11%	2833.45	12.86%	2008.98	11.84%
Exceptional items	0.00	0.00%	0.00	0.00%	2619.10	11.88%	1874.17	11.04%
Profit before extraordinary items and tax	(217.64)	(6.41%)	1523.33	6.11%	214.35	0.97%	134.81	0.79%
Extraordinary items	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Profit before tax	(217.64)	(6.41%)	1523.33	6.11%	214.35	0.97%	134.81	0.79%
<i>Tax expense:</i>								
(i) Current tax	0.00	0.00%	392.31	1.57%	32.05	0.15%	18.51	0.11%
(ii) Deferred tax	(29.56)	(0.87%)	421.54	1.69%	(20.57)	(0.09%)	354.77	2.09%
(iii) MAT Credit	0.00	0.00%	(493.91)	(1.98%)	(31.72)	(0.14%)	(15.29)	(0.09%)
(iv)(Excess)/Short Tax provision for earlier years	0.00	0.00%	0.00	0.00%	0.00	0.00%	34.49	0.20%
Total Tax Expense	(29.56)	(0.87%)	319.94	1.28%	(20.24)	(0.09%)	392.48	2.31%
Profit for the year (D-E)	(188.08)	(5.54%)	1203.39	4.83%	234.59	1.06%	(257.67)	(1.52%)

Particular	Quarter ended June 30, 2018	Percentage of total income (%)	Fiscal 2018	Percentage of total income (%)	Fiscal 2017	Percentage of total income (%)	Fiscal 2016	Percentage of total income (%)
Other Comprehensive Income								
<u>Items that will not be reclassified subsequently to profit or loss</u>								
Remeasurement of employee defined benefit obligation	0.00	0.00%	(2.16)	(0.01%)	(1.64)	(0.01%)	0.00	0.00%
Income tax relating to items that will not be reclassified to profit or loss	0.00	0.00%	0.56	0.00%	0.42	0.00%	0.00	0.00%
Total comprehensive income for the year	0.00	0.00%	(1.60)	(0.01%)	(1.22)	(0.01%)	0.00	0.00%
Restated total comprehensive income	(188.08)	(5.54%)	1201.78	4.82%	233.37	1.06%	(257.67)	(1.52%)

Reconciliation of EBITDA to restated profit/ (loss) for the period

The table below reconciles restated profit/ (loss) for the period to EBITDA. EBITDA is defined as restated consolidated profit / (loss) for the period before finance costs, total tax expenses, and depreciation and amortization expenses. Although EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

(₹ in lakhs)

Particulars	Quarter ended June 30, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Restated Profit/(Loss) after tax	(188.08)	1,203.39	234.59	(257.67)
Adjustments:				
Add: Total Tax expenses	(29.56)	319.94	(20.24)	392.48
Add: Depreciation and amortization expense	480.13	1,816.66	768.81	517.05
Add: Finance costs	360.97	1,134.35	1,167.72	1,116.74
	623.46	4,474.34	2,150.87	1,768.59
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	623.46	4,474.34	2,150.87	1,768.59

Particulars	Quarter ended June 30, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
EBITDA Margin	18.37	17.95	9.76	10.42
Total Income	3,393.95	24,932.54	22,040.33	16,973.60

The following table sets forth certain information with respect to our EBITDA for the periods indicated:

Particulars	Quarter ended June 30, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount (₹ in lakhs)	Percentage of Total Income (%)	Amount (₹ in lakhs)	Percentage of Total Income (%)	Amount (₹ in lakhs)	Percentage of Total Income (%)	Amount (₹ in lakhs)	Percentage of Total Income (%)
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	623.46	18.37	4474.34	17.95	2150.87	9.76	1768.59	10.42

For the quarter ended June 30, 2018

Income

Our total income was ₹ 3393.95 lakhs for the quarter ended June 30, 2018.

Revenue from operations

Our revenue from operations for the quarter ended June 30, 2018 was ₹ 3,292.06 lakhs primarily attributable to sale of products and other operating income.

Other revenue

Other revenue for the quarter ended June 30, 2018 was ₹ 101.89 Lakhs primarily attributable due to the interest income earned on the term deposits gains on account of increase in foreign currency payable/ receivable exposure and consequent impact of foreign exchange fluctuation. As a percentage of total income, other income was 3.00% for the quarter ended June 30, 2018.

Expenses

Our total expenditure for the quarter ended June 30, 2018 was ₹ 3,611.59 Lakhs. Our total expenditure comprises of:

Cost of materials consumed

The cost of materials consumed for the quarter ended June 30, 2018 was ₹ 1,701.12 Lakhs. Our cost of materials consumed consists of raw material costs in our business. As a percentage of total income, cost of materials consumed was 67.79% during the quarter ended June 30, 2018.

Employee benefit expenses

Employee benefits expense include salaries, wages and bonus payments to our employees, contribution to provident and other funds, gratuity expenses and staff welfare expenses. Employee benefits expenses were ₹ 268.22 lakhs for the quarter ended June 30, 2018 which comprised primarily of salaries, wages and bonus of ₹ 250.85 lakhs and contribution to provident and other funds of ₹ 17.37 lakhs. As a percentage of total income, employee benefits expense was 7.90% during the quarter ended June 30, 2018.

Finance cost

Finance costs were ₹ 360.97 lakhs for the quarter ended June 30, 2018. Finance costs included interest on terms loans of ₹ 181.78 lakhs, interest on others of ₹ 153.81 lakhs and bank charges of ₹ 25.38 lakhs. As a percentage of total income, finance costs were 10.64% for the quarter ended June 30, 2018.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the quarter ended June 30, 2018 was ₹ 480.13 lakhs comprising depreciation of property plant and equipment and amortization of intangible assets. As a percentage of total income, depreciation and amortization costs was 14.15% for the quarter ended June 30, 2018.

Other expenses

Other expenses include expenses relating to corporate, administration and sales related expenses across businesses. Significant costs under this head include rent, recruitment and training expenses, travelling and conveyance, legal and professional fees, repairs and maintenance charges, power & fuel cost and communication expenses, among others. Other expenses for the quarter ended June 30, 2018 were ₹ 385.65 lakhs.

Tax expenses

Our tax expenses for the quarter ended June 30, 2018 including ₹ (29.56) lakhs of deferred tax.

Profit for the period

For the reasons discussed above, our profit after tax was ₹ (188.08) lakhs for the quarter ended June 30, 2018. Our profit margin, calculated as our profit for the period, presented as a percentage of our total income, was (5.54)% for the quarter ended June 30, 2018.

Earnings before Interest, Taxes, Depreciation and Amortisation (“EBITDA”)

EBITDA was ₹ 623.46 lakhs for the quarter ended June 30, 2018, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 18.37% for the quarter ended June 30, 2018.

Fiscal 2018 Compared to Fiscal 2017

Income

Our total income for the year ended March 31, 2018 was ₹ 24932.54 Lakhs as compared to ₹ 22040.33 Lakhs for the year ended March 31, 2017, representing an increase of 13.12%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the year ended March 31, 2018 was ₹ 24583.88 Lakhs as compared to ₹ 21822.92 Lakhs for the year ended March 31, 2017, representing an increase of 12.65%. The increase in total revenue was primarily attributable to an increase in sale of products and other operating income.

Other revenue

Other revenue for the year ended March 31, 2018 was ₹ 348.66 Lakhs as compared to ₹ 217.41 Lakhs for the year ended March 31, 2017, representing an increase of 60.37%. The increase in other income is primarily attributable due to the interest income earned on the term deposits, VAT Refund received, gains on account of increase in foreign currency payable/ receivable exposure and consequent impact of foreign exchange fluctuation.

Expenses

Our total expenditure for the year ended March 31, 2018 was ₹ 23409.21 Lakhs as compared to ₹ 19206.96 Lakhs for the year ended March 31, 2017, representing an increase of 21.88%. Total expenditure comprises of:

Cost of materials consumed

The cost of materials consumed for the year ended March 31, 2018 was ₹ 17205.86 Lakhs as compared to ₹ 14167.04 Lakhs for the year ended March 31, 2017, representing an increase of 21.45%. The change is on account of decrease in average realization per kilogram of raw material and due to increase in manufacturing activities the cost of material consumed increased.

Employee benefit expenses

Employee benefit expense for the year ended March 31, 2018 was ₹ 1027.09 Lakhs as compared to ₹ 955.38 Lakhs for the year ended March 31, 2017, representing an increase of 7.51%. The increase in employee benefit expenses is primarily attributable due to an increase in salaries arising out increasing number of employees.

Finance cost

Finance cost for the year ended March 31, 2018 was ₹ 1134.35 Lakhs as compared to ₹ 1167.72 Lakhs for the year ended March 31, 2017, representing a decrease of (2.86) %. The decrease in finance cost is due to the continuing outstanding repayment of principle loan installment and interest thereon.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ended March 31, 2018 was ₹ 1816.66 Lakhs as compared to ₹ 768.81 Lakhs for the year ended March 31, 2017, representing an increase of 136.30%. The relative increase in depreciation expenses was attributable to the depreciation on additions in tangible assets, including addition of freehold land, leasehold improvements, plant and equipment, furniture and fixtures, and office equipment on account leaseholds improvements.

Other expenses

Other expenses for the year ended March 31, 2018 was ₹ 2049.30 Lakhs as compared to ₹ 1278.51 Lakhs for the year ended March 31, 2017, representing an increase of 60.29%. The increase in other expenses was mainly attributable to increase of legal & professional charges, increase in power and fuel cost, increase in processing charges etc.

Tax expenses

Our tax expenses include current tax, deferred tax, MAT entitlement credit and tax expenses for earlier years. Our tax expenses for the year ended March 31, 2018 were ₹ 319.94 lakhs, including ₹ 392.31 lakhs of current tax, ₹ (493.91) lakhs of MAT credit. In addition, there was a deferred tax charge of ₹ 421.54 lakhs for the year ended March 31, 2018. Our tax expense for the year ended March 31, 2017 were ₹ (24.36) lakhs, primarily consisting of ₹ 32.05 lakhs of current tax, ₹ (31.72) lakhs of MAT Credit and a deferred tax of ₹ (20.57) akhs and Income Tax for earlier year was Nil.

Profit for the period

For the reasons discussed above, profit for the year was significantly higher at ₹ 1203.39 Lakhs in Fiscal 2018, compared to profit after tax of ₹ 234.59 Lakhs in Fiscal 2017. Our profit margin, calculated as our profit for the year, presented as a percentage of our total income, was 4.83% in March 31, 2017 as compared to 1.06% in March 31, 2017.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 4474.34 lakhs for the period March 31, 2018 compared to EBITDA of ₹ 2150.87 lakhs for the period ended March 31, 2017, while EBITDA margin (EBITDA as a percentage of our revenue from operations in the relevant period) was 17.95% in March 31, 2018 compared to 9.76% March 31, 2017.

Year ended March 31, 2017 compared to the year ended March 31, 2016

Revenue

Our total revenue for the year ended March 31, 2017 was ₹ 22040.33 Lakhs as compared to ₹ 16973.60 Lakhs for the year ended March 31, 2016, representing an increase of 29.85%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the year ended March 31, 2017 was ₹ 21822.92 Lakhs as compared to ₹ 16906.53 Lakhs for the year ended March 31, 2016, representing an increase of 29.08%. The increase in total revenue was primarily attributable to an increase in sale of services and other operating income.

Other income

Other income for the year ended March 31, 2017 was ₹ 217.41 Lakhs as compared to ₹ 67.07 Lakhs for the year ended March 31, 2016, representing an increase of 224.15%. The increase in other income is primarily attributable due to the interest income earned on the term deposits, interest on the TDS refund received, gains on account of increase in foreign currency payable exposure and consequent impact of foreign exchange fluctuation.

Expenses

Our total expenditure for the year ended March 31, 2017 was ₹ 19206.96 Lakhs as compared to ₹ 14964.62 Lakhs for the year ended March 31, 2016, representing an increase of 28.35%. Total expenditure comprises of:

Cost of materials consumed

The cost of materials consumed for the year ended March 31, 2017 was ₹ 14167.04 Lakhs as compared to ₹ 10860.31 Lakhs for the year ended March 31, 2016, representing an increase of 30.45%. The change is on account of decrease in average realization per kilogram of raw material and due to increase in manufacturing activities the cost of material consumed increased.

Employee benefit expenses

Employee benefit expense for the year ended March 31, 2017 was ₹ 955.38 Lakhs as compared to ₹ 562.92 Lakhs for the year ended March 31, 2016, representing an increase of 69.72%. The increase in employee benefit expenses is primarily attributable due to an increase in salaries arising out increasing number of employees.

Finance cost

Finance cost for the year ended March 31, 2017 was ₹ 1167.72 Lakhs as compared to ₹ 1116.74 Lakhs for the year ended March 31, 2016, representing an increase of 4.57%. The increase in finance cost is due to the continuing outstanding unpaid loans and interest thereon.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ended March 31, 2017 was ₹ 768.81 Lakhs as compared to ₹ 517.05 Lakhs for the year ended March 31, 2016, representing an increase of 48.69%. The relative increase in depreciation expenses was attributable to the depreciation on additions in tangible assets, including addition of freehold land, leasehold improvements, plant and equipment, furniture and fixtures, and office equipment on account leaseholds improvements.

Other expenses

Other expenses for the year ended March 31, 2017 was ₹ 1278.51 Lakhs as compared to ₹ 1115.61 Lakhs for the year ended March 31, 2016, representing an increase of 14.60%. The increase in other expenses was mainly attributable to increase of legal & professional charges, increase in power and fuel cost etc.

Tax expenses

Our tax expenses include current tax, deferred tax, MAT entitlement credit and tax expenses for earlier years. Our tax expenses for the year ended March 31, 2017 were ₹ (20.24) Lakhs, including ₹ 32.05 Lakhs of current tax, ₹ (31.72) Lakhs of MAT credit. In addition, there was a deferred tax charge of ₹ (20.57) Lakhs for the year ended March 31, 2017. Our tax expense for the year ended March 31, 2016 were ₹ 392.48 Lakhs, primarily consisting of ₹ 18.51 Lakhs of current tax, ₹ (15.29) Lakhs of MAT credit and a deferred tax of ₹ 354.77 Lakhs and Income Tax for earlier year was in ₹ 34.49 Lakhs.

Profit for the period

For the reasons discussed above, profit for the year was significantly higher at ₹ 234.59 Lakhs in Fiscal 2017, compared to profit after tax of ₹ (257.67) Lakhs in Fiscal 2016. Our profit margin, calculated as our profit for the year, presented as a percentage of our total income, was 1.06% in March 31, 2017 as compared to (1.52)% in March 31, 2016.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 2150.87 lakhs for the period March 31, 2017 compared to EBITDA of ₹ 1768.59 lakhs for the period ended March 31, 2016, while EBITDA margin (EBITDA as a percentage of our revenue from operations in the relevant period) was 9.76% in March 31, 2017 compared to 10.42% March 31, 2016.

CASH FLOWS

The following table sets forth certain information relating to our cash flows:

Particulars	<i>(₹ in Lakhs)</i>			
	Quarter ended June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Net (loss) / profit before tax	(217.64)	1,523.33	214.35	134.81
Net Cash Flow from/ (used in) Operating Activities (A)	1,510.41	4,036.68	(300.30)	567.62
Net Cash Flow Used in Investing Activities (B)	(837.86)	(4,772.90)	(151.93)	(16,032.75)
Net Cash Generated from Financing Activities (C)	(516.75)	771.68	195.71	15,735.85
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	155.81	35.48	(256.53)	270.74
Cash and cash equivalents at the beginning of the year/period	49.69	14.21	270.74	-
Cash and cash equivalents at year/ period end	205.50	49.69	14.21	270.74

Operating Activities

Net cash from operating activities for period ended June 30, 2018 was ₹ 1510.41 lakhs as compared to the PBT of ₹ (217.64) lakhs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Net cash from operating activities for period ended March 31, 2018 was ₹ 4036.68 lakhs as compared to the PBT of ₹ 1523.33 lakhs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Net cash from operating activities for the period ended March 31, 2017 was ₹ (300.30) lakhs as compared to the PBT were ₹ 214.26 lakhs for the same period. This difference is primarily on account of trade payables, trade receivable and other current assets.

Net cash from operating activities for period ended March 31, 2016 was ₹ 567.64 lakhs as compared to the PBT were ₹ 134.81 lakhs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Investing Activities

Net cash from investing activities for period ended June 30, 2018 was ₹ (837.86) lakhs. This was on account of Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances) and Proceeds from the Bank Deposits.

Net cash from investing activities for period ended March 31, 2018 was ₹ (4772.90) lakhs. This was on account of Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances) and Proceeds from the Bank Deposits.

Net cash from investing activities for period ended March 31, 2017 was ₹ (151.93) lakhs. This was on account of Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances) and Proceeds from the Bank Deposits.

Net cash from investing activities for period ended March 31, 2016 was ₹ (16032.55) lakhs. This was on account of Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances) and Proceeds from the Bank Deposits.

Financing Activities

Net cash from financing activities for period ended June 30, 2018 was ₹ (516.75) lakhs. This was on account of the proceeds of Issue of share capital and capital reserve, and long term borrowings and payment of finance cost.

Net cash from financing activities for period ended March 31, 2018 was ₹ 771.78 lakhs. This was on account of the proceeds of Issue of share capital and Capital reserve, and long term borrowings and payment of finance cost.

Net cash from financing activities for year ended 2017 was ₹ 195.71 lakhs. This was on account of long term borrowings and Short term borrowing and payment of finance costs.

Net cash from financing activities for year ended 2016 was ₹ 15735.85 lakhs. This was on account of Share Suspense Account, Proceeds from Capital reserve, proceeds from long term and short term borrowing and payment of finance cost.

CONTINGENT LIABILITIES

The statement of contingent liabilities of our Company for the June 30, 2018 as restated are as mentioned in the table below:

(₹ in Lakhs)

Particulars	As at June 30, 2018
In respect of Corporate Guarantee given on behalf of related parties	Nil
Bank Guarantee	Nil
TOTAL	Nil

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

CAPITAL EXPENDITURES

Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

TOTAL DEBT

For details of our borrowings, please see section titled “*Financial Indebtedness*” on page 226 of this Draft Letter of Offer.

Effect of Ind AS adoption

For information on reconciliation of equity and statement of profit and loss under Indian GAAP to Ind AS for Fiscal 2016 and Fiscal 2017, please see “*Notes 42, 43 and 44 - Annexure V*” of our Restated Financial Statements beginning on page 163 of this Draft Letter of Offer.

Changes in Accounting Policies

Except as disclosed in this Draft Letter of Offer, there have been no changes in our Company’s accounting policies during Fiscal 2016, Fiscal 2017, Fiscal 2018 and the three month period ended June 30, 2018. For further information, see “*Financial Statements*” on page 163 of this Draft Letter of Offer.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Letter of Offer, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Significant economic/regulatory changes

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in “*Risk Factors*” on page 16 of this Draft Letter of Offer.

Except as described in the “*Key Regulations and Policies*” beginning on page 124 of this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

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 described in “*Risk Factors*” and “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 16 and 211, respectively, of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in “*Risk Factors*” and “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 16 and 211, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to intensify. For further details, see “*Our Business*” beginning on page 108 of this Draft Letter of Offer.

Total Turnover of Each Major Business Segment

We currently operate in one business segment i.e. Active Pharmaceutical Ingredients (“**APIs**”).

New Product or Business Segment

We introduce new products from time to time based on the requirements of our customers. Other than the new products under development as described in the “*Our Business*” section on page 108 of this Draft Letter of Offer, to our knowledge, there are no current plans to develop new products or establish any new business segments.

Seasonality of Business

The business in which our company is engaged is not seasonal.

Significant Dependence on a Single or Few Suppliers or Customers

Our Company is not dependent on a single or few suppliers or customers as on the date of this draft letter of offer.

Related Party Transactions

For details please refer to the discussion in the “*Financial Statements*” beginning on page 163 of this Draft Letter of Offer.

Significant Developments since last balance sheet date

Except as disclosed above and in this Draft Letter of Offer, including under “*Our Business*” and “*Risk Factors*” on pages 108 and 16 respectively, to our knowledge no circumstances have arisen since June 30, 2018, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company's total outstanding secured and unsecured borrowing is ₹ 5,945.44 lakhs and ₹ 4,810.72 lakhs respectively, as on September 30, 2018, the details of which are set out below.

A. SECURED BORROWINGS OF OUR COMPANY:

Details of secured loans taken by our Company are set out below:

Type of Loan	Sanctioned Amount	Amount Outstanding as on September 30, 2018 (₹ in lakhs)	Rate of interest / commission	Tenor / Period	Purpose	Security Provided
I. Business Loans						
Axis Bank						
Cash Credit	₹ 33 crores (Takeover limits of ₹ 6 crores from Citi Bank in the name of Urdhwa Chemicals Private Limited)	2,310.36	10.50% p.a	Not Applicable	Working Capital Requirements	First hypothecation mortgage charge on entire movable and immovable fixed assets in C-4, C-4/1, C-43 Mahad & Lote Parshuram, Book Debts and Stock
Letter of Credit (Inland/Import)	₹ 30 crores (Renewal with enhancement from Rs. 10 crores to Rs. 30 crores)	1,871.00	Not Applicable	Inland LC: Maximum usage upto 180 days Import LC: Maximum usage upto 180 days	To purchase raw material, packing material, stores and spares required for day-to-day operations of the borrower.	Primary: (i) Goods procured under LC. (ii) First hypothecation mortgage charge on the entire movable & immovable Fixed assets in C-4, C-4/1, C-43 Mahad & Lote Parshuram, Book Debts and Stock. Collateral and Guarantees: Shri.Omkar Herlekar
Facility IX: Term Loan – I (Existing)	Rs. 3.92 crores	82.61	11.40% p.a.	70 months including 15 months' moratorium. To be repaid to be paid in 18 quarterly installments of Rs. 31.50 Lacs Commencing after moratorium period of 15 months.	Capital Expenditure	<ul style="list-style-type: none"> • Exclusive charge on the entire moveable fixed assets of the company, both present and future other than those purchased on hire purchase basis but including factory land and building at Mahad. • Extension of exclusive charge on entire current assets of the company, both present and
Facility X: Term	Rs. 9.87 crores	641.54	11.40% p.a.	96 months including	Capital Expenditure	

Type of Loan	Sanctioned Amount	Amount Outstanding as on September 30, 2018 (₹ in lakhs)	Rate of interest / commission	Tenor / Period	Purpose	Security Provided
Loan – II (Existing)				moratorium period 18 months. Repayable in 77 equal monthly installemnts of ₹ 24.50 lacs and last installment of ₹ 14.00 lacs after completion of moratorium period of 18 months from date of first disbursement		future. • Extension of mortgage on immovable properties offered as collateral securities for wcl.
Bank of Baroda						
TL-IV Additional Borrowing through ECB	Existing: ₹ 63 crores Reviewed: ₹ 36.70 crores	2,095.66	The aggregate of : • The margin • Bba 6.11 544 % p.a (6 m libor 1.41 544 % + margin 4.7 %)	Repayable in -28- equal quarterly installments commencing after 18 months of initial moratorium from the date of first draw down in facility. The first installment will be payable at the end of 21 months from the date of first disbursement.	Expansion of manufacturing facilities	• First charge on D/27/5, MIDC, Lote Parshuram industrial area, Taluka-khed, Dist- Ratnagiri, Maharashtra, India
Dombivli Nagari Sahakari Bank Limited (“DNSB”)						
Term loan -iii	₹ 225.00 lakhs	182.00	10.00%	To be repaid in 84 EMIs after completion of moratorium	For purchasing new machinery	Hypothecation of new machinery to be purchased.

Type of Loan	Sanctioned Amount	Amount Outstanding as on September 30, 2018 (₹ in lakhs)	Rate of interest / commission	Tenor / Period	Purpose	Security Provided
						period of 18 months.
II. Vehicle Loans						
Ford Credit India Private Limited						
Auto Loan	₹ 9.24 lakhs	5.91	9.50%	Repayable in Equated Monthly Installment ("EMIs") for 60 months of ₹ 0.19 lakhs.	Purchase of Vehicle	Vehicle Ford Eco Sport
TATA Motors Finance Limited						
Auto Loan	₹ 13.57 lakhs	4.74	9.50%	Repayable in 60 EMIs of ₹ 0.31 lakhs.	Purchase of Vehicle	Vehicle TATA Aira Pride
ICICI Bank Limited						
Auto Loan	₹ 28.00 lakhs	26.27	8.60%	Repayable in 60 EMIs of ₹ 0.57 lakhs; last installment of ₹ 0.53 lakhs.	Purchase of vehicle	Vehicle Fortune car
III. Home Loan						
PNB Housing Finance Limited						
Home Loan	₹ 603.00 lakhs	596.35	Floating Rate @ 8.65%	Repayable in 180 EMIs consisting of ₹ 5.99 lakhs for 14 EMIs and ₹ 6.10 lakhs for all remaining EMIs.	Purchase of residential property	Property situated at Lokhandwala, Andheri, Mumbai, India.

B. UNSECURED BORROWINGS OF OUR COMPANY:

Details of unsecured loans taken by our Company are set out below:

Name of the Lender	Amount outstanding as on September 30, 2018 (₹ in lakhs)	Repayment terms
Omkar Herlekar	3,080.04	Repayable on demand
Pravin Herlekar	100.00	Repayable on demand
Aaradhna Energy Private Limited	108.64	Repayable on demand
Aarey Drugs and Pharmaceuticals Limited	829.79	Repayable on demand
Akshat Chemicals	278.00	Repayable on demand
Enam Organics India Limited	390.27	Repayable on demand

Name of the Lender	Amount outstanding as on September 30, 2018 (₹ in lakhs)	Repayment terms
Shantech International Private Limited	23.98	Repayable on demand
Total	4,810.72	

Principal terms of financing arrangement:

Undertakings required to be given by our Company as per the terms of the arrangement:

- Not to divert working capital funds for long-term purposes;
- Company and its directors undertake that in case of shortfall in estimated/projected cash accruals it will bring in additional funds required from its own sources without recourse to the Bank.

As per the terms of the arrangement, our Company cannot, without the prior intimation to / prior written consent of the Bank / Lenders:

- Change statutory auditors.
- Enter into merger/amalgamation etc. or a buyback;
- Make restricted payments other than as permitted
- Wind up/liquidate its affairs
- Agree/authorize to settle any litigation/arbitration having a material adverse effect;
- Change general nature of its business or undertake any expansion or invest in any other entity;
- Permit any change in its ownership/control/management (including by pledge of promoter/sponsor shareholding in borrower to any third party)
- Change remuneration of its directors in any manner other than as mandated by legal or regulatory provisions;
- Effect any change in its accounting method or policies;
- Make any amendments to its constitutional documents;
- Avail any loan, and / or stand as surety or guarantor for any third party liability or obligation, and/or provide any loan or advance to third party
- Pay commission to promoters/directors/security providers;
- Dispose assets other than as permitted by the Bank in writing;
- Utilize the facility sanctioned for any purpose other than end use as permitted;
- Change its financial year-end from date it has currently adopted;
- Enter into arrangement whereby its business/operations are managed or controlled, directly or indirectly by any other person.
- make any drastic change in its management set up.
- Invest by way of share capital in or lend or advance funds to place deposits with any other concerns, except in normal course of business or as advance to employees.
- Undertake guarantee obligations on behalf of any other borrower or any third party except in normal course of its business.
- Formulate scheme of amalgamation with any other borrower/third party or reconstitution any borrower or third party
- Withdraw monies brought in by key promoters/depositors
- Implement any scheme of expansion or acquire fixed assets of substantial value, other than envisaged project.
- Effect any change in management & Capital structure.
- Enter into borrowing arrangement either secured or unsecured with any other bank or financial institutions, company or otherwise.
- Grant loans to promoters/associates and other companies.
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
- Make any repayment of loans and deposits and discharge other liabilities except those shown in funds flow statement submitted from time to time.

Other Restrictive Covenants:

Under the loan facility, our Company is also required to observe the following covenants:

a. Our Company shall:

- Maintain its net working capital position equal or above the levels furnished in projections for working capital finance.
- Enter into arrangements with third parties on arm length basis.
- Forthwith inform the bank of details of the immoveable property acquired, if any security is to be created over immoveable property acquired by Borrower subsequent to execution of the facility agreement.
- Furnish to the Bank with the position vis-à-vis the outstanding statutory obligations such as income tax, payment of provident fund, additional emoluments (compulsory deposit), gratuity, electricity dues etc. as and when demanded by the Bank with reasons, if any, for increase from the earlier month and the proposed plan of payments thereof.
- Utilized the loan for the purpose for which it is sanctioned and not for:
 - Subscription to or purchase of shares/debentures
 - Extending loans to subsidiary companies/associates or for making inter-corporate deposits
 - Any speculative purposes
- Not pay any consideration by commission, brokerage, fees or any other form to guarantors directly or indirectly.
- Not be entitled to assign, transfer or novate its rights or obligations to any person.

b. The Bank will have the first right of offering its services for any fund raising, advisory, merger/acquisition/disinvestment/asset sale, trustee services or any similar business of the borrower either directly or through any of its subsidiaries subject to mutual acceptance of the commercial terms.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal litigation involving our Company, Directors, Promoter, or Group Companies; (ii) outstanding actions by any statutory or regulatory authorities involving our Company, Directors, Promoter, or Group Companies; (iii) outstanding claim involving our Company, Directors, Promoter, or Group Companies for any direct or indirect tax liabilities, respectively, on a consolidated basis.

Further, except as stated in this section, there are no (i) outstanding other pending litigation involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, (ii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, and (iii) outstanding dues to small scale undertakings and other creditors. With respect to point (i) above, our Board, in its meeting held on August 13, 2018, has adopted a policy for identification of material legal proceedings (“Materiality Policy”). For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy, (i) all pending litigation involving our Company, Directors, Promoter, or Group Companies, in addition to criminal proceedings, taxation matters, and regulatory actions, would be considered ‘material’, if the monetary amount of claim by or against the entity or person in such proceeding is 10% (or in excess of 10%) of the total restated revenue of our Company as per the Restated Financial Information for the period ended June 30, 2018, being ₹ 329.20 lakhs, and (ii) pending proceedings involving the abovementioned persons whose outcome may have a bearing on the business, operations, prospects, or reputation of our Company are considered ‘material’, and disclosed in this Draft Letter of Offer.

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, Directors, Promoter and Group Companies shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Subsidiaries, Directors, Promoter, and our Group Company, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, in terms of the Materiality Policy, our Company considers such creditors ‘material’ to whom the amount due exceeds ten per cent of the total amounts owed to creditors of our Company as per the Restated Financial Information for period ended June 30, 2018 included in this Draft Letter of Offer i.e. ₹ 348.45 lakhs, and accordingly the details of the aggregate outstanding dues to such material creditors have been disclosed in this Draft Letter of Offer in a consolidated manner.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer.

All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings against our Company

NIL

Criminal proceedings initiated by our Company

NIL

B. Pending action by statutory or regulatory authorities against our Company

NIL

C. Tax proceedings against our Company

Set forth below are details of the tax proceedings initiated against our Company:

Direct Tax

NIL

Indirect Tax

NIL

D. Outstanding litigation involving our Company

Civil litigations initiated against our Company

NIL

Civil litigations initiated by our Company

Our Company had filed a suit against Dombivli Nagari Sahakari Bank Limited (“**DNSBL**”), Abhinandan Rasayan Private Limited (“**Abhinandan**”) and its D.H. Dambalkar (“**Managing Director**”) before the High Court of Judicature at Bombay to direct DNSBL to unencumber the property situated at Plot No. N31, Anand Nagar, Additional Ambernath, MIDC which includes land and building with entire plant and Machinery (“**Said Factory**”) thereby declaring the Company as the rightful owner of the Said Factory. In the instant matter, Abhinandan proposed to sell the Said Factory for total consideration of ₹ 1500.00 lakhs to the Company. The Company was informed that the said factory was mortgaged in favour of DNSBL by Abhinandan as security against the credit facilities availed from DNSBL. The Company was informed that Abhinandan proposed to repay the credit facilities out of the sale proceeds of the Said Factory. Pursuant to the arrangement for purchase of the Said Factory, the Company and Abhinandan entered into memorandum of understanding dated March 18, 2018 (“**MoU**”) for acquisition of the Said Property whereby the said credit facilities were transferred to the Company and the Said Factory stayed encumbered. However, DNSBL disbursed partial amount up to ₹ 182.00 lakhs of the total credit facilities. As on date neither the Said Factory is transferred to the Company nor the credit facilities are disbursed in full. The matter is currently pending before the High Court of Judicature at Bombay.

E. Outstanding litigation against any other persons whose outcome could have an adverse effect on our Company

NIL

F. Notices received by our Company

NIL

G. Outstanding dues to small scale undertakings or any other creditors

As per the Materiality Policy adopted pursuant to a resolution of our Board dated August 13, 2018, creditors to whom an amount exceeding ₹ 348.45 lakhs, which is 10% of the total outstanding dues of our Company as per our Restated Financial Information for the period ended June 30, 2018, was outstanding, were considered ‘material’ creditors. Based on the above there are no ‘material’ creditor as on June 30, 2018.

The details of our outstanding dues to creditors, as on June 30, 2018 as per our Restated Financial Information are as follows:

Particulars	Number of creditors	Amount outstanding (₹ in lakhs)
Small scale undertakings	Nil	Nil
Dues to 'material' creditor	Nil	Nil
Dues to other creditors	433.00	3,484.53
Total	433.00	3,484.53

Complete details of outstanding dues to our creditors as on June 30, 2018 are available at the website of our Company, www.lasalabs.com.

II. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Criminal proceedings against our Directors

NIL

Criminal proceedings initiated by our Directors

Our Promoter, Omkar Herlekar has filed a FIR under Section 154 of the Code of Criminal Procedure, 1973 on January 11, 2018 in Mumbai with the Station House Officer, MIDC Police Station against Vivid Finance and Holdings Private Limited (“Vivid”) and its Director, Trinath Kiran Vemuri for offences under Sections 409 and 420 of the Indian Penal Code. Pursuant to a loan agreement entered into between Vivid and Omkar Herlekar, a loan of ₹ 248 lakhs was sanctioned by Vivid and 2,80,000 shares of OSCL were transferred to Vivid as encumbrance till repayment of the loan. On the specific demand by Vivid’s Director, another 70,000 shares of OSCL were transferred to Vivid as collateral. Further, pursuant to the Scheme of Arrangement sanctioned by the Hon’ble National Company Law Tribunal vide order dated April 13, 2017, Vivid came to hold 3,50,000 shares of OSCL and 3,50,000 shares of our Company. As on November 28, 2017, the entire loan amount was repaid by Omkar Herlekar to Vivid, whereas, only 37,500 shares of OSCL and 8,000 shares of our Company were transferred back to Omkar Herlekar. The remaining shares were allegedly sold or transferred by Vivid to other parties between May 23, 2017 and July 13, 2017. Accordingly, the FIR was filed under Section 409 and 420 of the Indian Penal Code. The matter is currently pending with the Economic Offences Wing.

B. Pending action by statutory or regulatory authorities against our Directors

NIL

C. Tax proceedings against our Directors

NIL

D. Material outstanding litigation involving our Directors

Material civil litigations initiated against our Directors

NIL

Material civil litigations initiated by our Directors

Our Promoter, Omkar Herlekar has filed *Civil Suit (L) No. 625 of 2017* in the High Court of Judicature at Bombay, against Vivid Finance and Holdings Limited (“Vivid”), its Directors and others. The matter arises out of a loan agreement of ₹ 248 lakhs entered into between Omkar Herlekar and Vivid. Pursuant to the loan agreement, 2,80,000 shares and 70,000 shares respectively of OSCL were transferred to Vivid. Further, pursuant to the Scheme of Arrangement sanctioned by the Hon’ble National Company Law Tribunal, an allotment of one share of our Company was made against each share of OSCL, and therefore Vivid came to hold 3,50,000 shares of OSCL as well as 3,50,000

shares of our Company. Upon the expiry of the term of the Agreement, the entire loan amount was repaid by Omkar Herlekar. However, as on the date of filing the suit only 8,000 of the shares of our Company and 37,500 shares of OSCL were returned by Vivid. Notice of Motion (L) No. 2421 of 2017 was also filed in the said Civil Suit by Omkar Herlekar seeking ad-interim reliefs for, *inter alia*, an injunction on Vivid from alienating, disposing, encumbering, dealing with, devaluing, destroying or creating any third-party rights on the remaining shares of our Company and of OSCL which were still held by Vivid. The said Notice of Motion was heard by the Hon'ble Justice R.D. Dhanuka and ad-interim reliefs as mentioned hereinabove were allowed vide order dated December 4, 2017. The matter is currently pending before the High Court of Judicature at Bombay.

III. Litigation involving our Promoter

A. Outstanding criminal proceedings involving our Promoter

Criminal proceedings against our Promoter

NIL

Criminal proceedings initiated by our Promoter

Except as mentioned in "*Criminal proceedings initiated by our Directors*", there are no outstanding criminal proceedings initiated by our Promoter as on the date of this Draft Letter of Offer.

B. Pending action by statutory or regulatory authorities against our Promoter

NIL

C. Tax proceedings against our Promoter

NIL

D. Material outstanding litigation involving our Promoter

Civil litigations initiated against our Promoter

NIL

Civil litigations initiated by our Promoter

Except as mentioned in "*Civil litigations initiated by our Directors*", there are no outstanding civil litigations initiated by our Promoter as on the date of this Draft Letter of Offer

IV. Litigations involving our Group Companies

A. Outstanding criminal proceedings involving our Group Companies

Criminal proceedings against our Group Companies

NIL

Criminal proceedings initiated by our Group Companies

NIL

B. Pending action by statutory or regulatory authorities against our Group Company

NIL

C. Tax proceedings against our Group Company

NIL

D. Material outstanding litigation involving our Group Company

Civil litigations initiated against our Group Company

NIL

Civil litigations initiated by our Group Company

NIL

V. Material developments since the last balance sheet date

Except as stated in “*Management’s Discussion And Analysis Of Financial Condition And Results Of Operations*” on page 211 and in “*History and Certain Corporate Matters*” on page 131 of this Draft Letter of Offer there have been no developments subsequent to June 30, 2018 that we believe are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, see chapter “Key Regulations and Policies” on page 124 of this Draft Letter of Offer.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:

I. Issue related approvals

1. For the approvals and authorizations obtained by our Company in relation to the Issue, see “*Other Regulatory and Statutory Disclosures- Authority for the Issue*” on page 241 of this Draft Letter of Offer.
2. In-principle approval from the BSE dated [●].
3. In-principle approval from the NSE dated [●].

II. Incorporation details

1. The Certificate of Incorporation (L24233MH2016PLC274202) dated March 11, 2016 issued by Registrar of Companies, Mumbai under the Companies Act, 2013.

III. Taxation related approvals

1. Registration certificate of Goods and Services Tax (27AADCL0382Q1Z2) dated September 25, 2017 issued by the Government of India.
2. Permanent Account Number (AADCL0382Q) dated March 30, 2016 issued by the Income Tax Department.
3. Tax Deduction Account Number (PNEL06616B) dated July 27, 2016 issued by the Income Tax Department.

IV. Employee and labour related approvals

1. Provident Fund Registration Certificate (THVSH1667723000) dated November 29, 2017 issued by the Employee Provident Fund Organisation.
2. Registration under Employees State Insurance Corporation (34000354110000305) dated June 17, 2017 issued by the Employee State Insurance Corporation.

V. Approvals in relation to the business operations of our Company

1. Importer - Exporter Code (0310078458) dated February 22, 2011 issued by the Additional Director General of Foreign Trade, Ministry of Commerce and Industry.
2. Certificate of verification of weights (475135) dated September 28, 2017 issued by the Legal Metrology Organization (Food, Civil Supplies and Consumer Protection Department), Government of Maharashtra under the Legal Metrology (Enforcement) Act, 1985, as amended.

3. Certificate of verification of weights (462411) dated September 30, 2016 issued by the Legal Metrology Organization (Food, Civil Supplies and Consumer Protection Department), Government of Maharashtra under the Legal Metrology (Enforcement) Act, 1985, as amended.
4. Registration Certificate of the Establishment (762213737 / COMMERCIAL II) issued by the Office of Inspector under Maharashtra Shops and Establishments Act, 1948.
5. License to work a Factory (10126) dated February 01, 2018 issued by the Directorate of Industry Safety and Health, Government of Maharashtra.
6. Contract Labour Registration Certificate (1710400710010400) dated April 03, 2013 issued by the Office of the Assistant Commissioner of Labour, Ratnagiri.
7. Small Scale Industry Certificate (UAN – MH28B0003757) dated May 2, 2017 issued by the Ministry of Micro, Small and Medium Enterprises.
8. Udhog Aadhar Memorandum (UAN – MH28B0003757) dated May 2, 2017 issued by the Ministry of Micro, Small and Medium Enterprises.
9. License to work a Factory (129907) dated December 31, 2015 issued by the Directorate of Industrial Safety and Health, Government of Maharashtra.
10. Contract Labour Registration Certificate (1710300710011580) dated December 11, 2017 issued by the Office of the Assistant Commissioner of Labour, Raigad.
11. Small Scale Industry Certificate (UAN – MH27B0004552) dated May 2, 2017 issued by the Ministry of Micro, Small and Medium Enterprises.
12. License to work a Factory (097259) dated June 20, 2015 issued by the Directorate of Industrial Safety and Health, Government of Maharashtra.
13. Small Scale Industry Certificate (UAN – MH28B0003880) dated May 2, 2017 issued by the District Industry Certification.

VI. Approvals in relation to manufacture for sale (or distribution) of drugs

1. Free Sale Certificate (6072278) dated November 14, 2016 valid till May 02, 2022 issued by the Food and Drugs Administration, Maharashtra.
2. License to Manufacture for Sale of Drugs ((25) KD-729) dated August 05, 2011 issued by the Food and Drugs Administration, Maharashtra.

VII. Quality Related Approvals

1. Good Manufacturing Practice Certificate (NEW-WHO-GMP/CERT/KD/65125/2018/11/23264) dated April 11, 2018 issued by the Food and Drugs Administration, Maharashtra.
2. Certificate of conformity with ISO 9001-2015 for manufacturing of APIs (171QBF77) dated December 30, 2017 issued by AQC Middle East Fze.


VIII. Environment Related Approvals

1. Consent to operate under Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control) Act, 1981 and the Hazardous and other Wastes (Management, Handling and Transboundary) Rules, 2016 (1.0/AST/RO-KP/1801001061) dated January 25, 2018 issued by the Maharashtra Pollution Control Board.

2. Certificate of registration of membership of Common Hazardous Waste Treatment Storage and Disposal facility (MWML-HzW-LOT-3059) issued by the Maharashtra Pollution Control Board.
3. Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, and the Hazardous Wastes (Management & Handling) Rules, 1989 (MPCB/15/145) dated May 2, 2015 issued by the Maharashtra Pollution Control Board.
4. Membership Registration (MPCB/ROK/SROC/12/003/49/4114) dated January 10, 2014 issued by Mumbai Waste Management Limited.
5. Consent to operate under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control) Act, 1981 and the Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008 (MPCB/ROK/SROC/12/003/49/4114) dated January 10, 2014 issued by Maharashtra Pollution Control Board Regional Office, Kolhapur.
6. Membership Registration (MWML-HzW-LOT-3769) dated September 19, 2017 issued by Mumbai Waste Management Limited.
7. Consent to operate under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control) Act, 1981 and the Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008 (MPCB/ROK/SROC/12/013/15/1642) dated December 19, 2012 issued by Maharashtra Pollution Control Board Regional Office, Kolhapur.
8. No Objection Certificate for permanent additional Electric load Sanction (No./CPN/DM/Lote/D-27/5/A26802/of 2014) dated January 24, 2014 issued by the Maharashtra Industrial Development Corporation.

IX. Intellectual Property Approvals

1. Our Company has made applications for registration/ renewal of the following trademarks under the Trademarks Act, 1999:

Sr. No.	Description	Application No.	Date of Application	Class	Status
1.	LASA (Logo) 	3587889	July 08, 2017	5	Objected (Ready for Show cause Hearing)
2.	LASA (Word)	3587890	July 08, 2017	5	Opposed (Counter statement to opposition filed on August 24, 2018)

2. Our Company has been granted Patent Certificate bearing patent number 297903 dated May 26, 2014 for 'an improved process for the preparation of triazine derivative used as an insecticide' and Patent Certificate bearing patent number 301999 dated May 13, 2014 for 'method for the preparation of salicylanilide antiparasitic derivative' under the provisions of the Patents Act, 1970.
3. Our Company has made applications for registration of the following patents under the Patent Act, 1970:

Sr. No.	Description	Application No.	Date of Application	Status
1.	NITROXYNIL Method for the simplified production of Fasciolicide and derivative thereof	IN1443/MUM/2014	April 23, 2014	Application Examined (FER Issued) (Reply to examination report submitted on August 3, 2018)
2.	TRICLABENDAZOLE Process for the preparation of Benzimidazole derivative as anthelmintic agents	IN1729/MUM/2014	May 23, 2014	Application Examined (FER Issued) (Reply to examination report submitted on September 1, 2018)
3.	ALBENDAZOLE An improved process for the preparation of Methyl 5-(Propyl Thio)-1h-Benzo [D] Imidazol-2-Ylcarbamate	IN1953/MUM/2014	June 17, 2014	Application Awaiting Examination.
4.	FENBENDAZOLE Green process for the preparation of Methyl 5-(Phenyl Thio)-1h-Benzo[D]Imidazole-2-Ylcarbamate	IN2203/MUM/2014	July 07, 2014	Application Examined (FER Issued) Reply to examination report submitted on June 18, 2018.
5.	HALQUINOL A simple, safe and cost effective process for preparation of Halquinol product	IN2435/MUM/2014	July 28, 2014	Application Awaiting Examination
6.	CLOSANTEL Method for the preparation of salicylanilide antiparasitic derivative	IN 201822034425	September 12, 2018	Application Awaiting Examination

“LASA Laboratory Private Limited” and “Omkar Speciality Chemicals Limited.” are the predecessors of “LASA Supergenerics Limited” in title. Further, “LASA Laboratory Private Limited” was the wholly owned subsidiary of “Omkar Speciality Chemicals Limited”. Subsequently, pursuant to the order of the National Company Law Tribunal, Mumbai Bench dated April 13, 2017 “LASA Laboratory Private Limited” was merged into “Omkar Speciality Chemicals Limited” with effect from May 2, 2017, and its business mainly pertaining to Veterinary API operations and all assets and properties including goodwill, other intangibles, trademarks, patents, patent rights, designs and other industrial and intellectual properties and rights of any nature whatsoever including designs, know-how or any application for the above, assignments and grants in respect thereof stood assigned to “LASA Supergenerics Limited” which include the abovementioned 6 patents.

The applicant presently is recorded as “LASA Laboratory Private Limited” as on March 2018. However, the application for change in name of applicant from “LASA Laboratory Private Limited”, to “LASA Supergenerics Limited” will be taken on record during the process for the grant of Patent.

X. Licenses/ approvals applied for but not yet approved / granted:

- Application dated March 31, 2018 made by the Company to the Principal Secretary, Environmental Department, Government of Maharashtra for consent of amendment in the environment clearance letter dated February 1, 2016 issued to Omkar Specialty Chemicals Limited for change in name of the certificate holder from Omkar Specialty Chemicals Limited to Lasa Supergenerics Limited.

XI. Licenses / Approvals which are required but not yet applied for:

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

- The Board of our Company, pursuant to its resolution dated January 6, 2018 has authorized the proposed Rights Issue under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.
- The Board of our Company, pursuant to its resolution dated [●] has determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Share(s) for every [●] fully paid up Equity Share(s) held on the Record date. The Issue Price has been arrived at in consultation with the Lead Manager.
- Our Company has received in-principle approvals from the BSE and NSE for listing of the Equity Shares to be allotted in the Issue pursuant to their letters dated [●] and [●].
- The Board has approved this Draft Letter of Offer pursuant to its resolution dated November 05, 2018.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group, and our Group Companies have not been debarred 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 or Directors are or were associated as Promoter, directors or persons in control have not been debarred 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 associated with the securities market. There has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as Promoter or directors.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India or abroad.

Prohibition by RBI

Neither our Company, nor our Promoter, relatives of our Promoter, members of the Promoter Group, Directors or any of our Group Companies have been declared or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on the BSE and the NSE. Our Company is eligible for the Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Due to the provisions of clause 3 of Part E of Schedule VIII of the SEBI ICDR Regulations, our Company is required to make disclosures as per Part A of Schedule VIII of the SEBI ICDR Regulations.

Our Company is in compliance with the conditions specified in Regulations 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGERS, BEING SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGERS, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE. THE LEAD MANAGERS, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 5, 2018 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - a. THIS DRAFT LETTER OF OFFER FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE 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;**
 - c. THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID. - COMPLIED WITH AND NOTED FOR COMPLIANCE.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOT APPLICABLE - THE ISSUE IS NOT UNDERWRITTEN.
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT LETTER OF OFFER WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT LETTER OF OFFER. – NOT APPLICABLE
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT LETTER OF OFFER – NOT APPLICABLE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S 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 PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – 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 COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE 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 THIS DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION – COMPLIED WITH.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT LETTER OF OFFER:
 - a. “AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.”
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING ISSUE. - NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER’S EXPERIENCE, ETC – COMPLIED WITH.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY – COMPLIED WITH.
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY THE LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)’, AS PER THE FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. – NOT APPLICABLE TO A RIGHTS ISSUE
17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE ISSUER, REPORTED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 24, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRAFT LETTER OF OFFER AND AS CERTIFIED BY M/S. THANAWALA & COMPANY, CHARTERED ACCOUNTANTS, BY WAY OF A CERTIFICATE DATED OCTOBER 9, 2018.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE) – NOT APPLICABLE
19. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY – COMPLIED WITH;
20. WE CONFIRM THAT THE COMPANY IS ELIGIBLE TO MAKE FAST TRACK ISSUE IN TERMS OF REGULATION 10 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION, BY THE COMPANY, HAS ALSO BEEN DISCLOSED IN THIS DRAFT LETTER OF OFFER – NOT APPLICABLE;

21. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS DRAFT LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE, UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN – COMPLIED WITH AND NOTED FOR COMPLIANCE;
22. WE CONFIRM THAT THE ABRIDGED LETTER OF OFFER PREPARED IN CONNECTION WITH THE ISSUE 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;
23. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE COMPANY - COMPLIED WITH;
24. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUBREGULATION (4) OF REGULATION 32 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THIS DRAFT LETTER OF OFFER – NOT APPLICABLE.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER OR LETTER OF OFFER.

Disclaimer from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.lasalabs.com, would be doing so at his or her own risk.

The Investors who invest in the Issue will be deemed to have been represented by our Company and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

Caution

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date. Investors who invest in the Issue will be deemed to have represented to us and Lead Managers 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 are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Maharashtra, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be [●].

Disclaimer Clause of BSE Limited

As required, a copy of this Draft Letter of Offer will be submitted to BSE Limited. The disclaimer clause as intimated by the BSE Limited to us, upon completion of its review of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing the Letter of Offer with the Stock Exchange.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as will be intimated by the NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

IMPORTANT INFORMATION FOR INVESTORS – SELLING, ELIGIBILITY AND TRANSFER RESTRICTIONS

The distribution of this Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer / Abridged Letter of Offer and CAF only to Eligible Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other material relating to our Company, the Securities or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI.

Accordingly, the Securities and Rights Entitlement may not be offered or sold, directly or indirectly, and none of the Draft Letter of Offer or any offering materials or advertisements in connection with the Securities or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Securities or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Securities or accepting any provisional allotment of Securities, or making any offer, sale, resale, pledge or other transfer of the Securities or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlement and subscribes for Securities or excess Securities, or who purchases Rights Entitlement or Securities shall do so in accordance with the restrictions set out below.

Filing

This Draft Letter of Offer has been filed with the Corporation Finance Department of SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India for its observations.

Listing

The securities of our Company were listed on the BSE Limited and the NSE on September 21, 2017. The said listing was done by way of Direct Listing by of submission of Information Memorandum in terms of the composite scheme of arrangement sanctioned by the National Company Law Tribunal vide its Order dated April 13, 2017.

The existing Equity Shares of our Company are listed on BSE and NSE. Our designated stock exchange is BSE Limited. We shall apply to the BSE and NSE for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. If the listing and trading approvals for the Equity Shares to be issued pursuant to this Issue is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all monies received from applicants in pursuance of this Draft Letter of Offer. We will issue and dispatch Allotment advice / share certificates / demat credit and / or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. If such allotment is not made or money is not repaid within eight days from the day we become liable to repay it, we and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under the applicable laws.

Consents

Consents in writing of our Directors, Promoter, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Legal Advisors, Registrar to the Issue, Bankers to our Company*, Banker to the Issue** and Experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer. M/s. Thanawala & Co., Chartered Accountants, our Joint Statutory Auditors, have given their written consent for the inclusion of their report in the form and content appearing in this Draft Letter of Offer and such consent and report have not been withdrawn up to the date of this Letter. Further, M/s. Thanawala & Co., Chartered Accountants have given their written consent for the inclusion of the Statement of Tax Benefits dated October 9, 2018 in the form and content in which it appears in this Draft Letter of Offer.

**As on the date of this Draft Letter of Offer, the Company has not received the consent from the Bankers to the Company. For further details, see "Risk Factors" on page 16 of this Draft Letter of Offer.*

***Will be included at the time of filing of the Letter of Offer.*

Expert Opinion

We have not obtained any other expert opinion in relation to this Issue except:

- (a) the report dated October 9, 2018 of M/s. Thanawala & Co., Chartered Accountants, on the Restated Financial Statements of our Company in the form and context it appears in this Draft Letter of Offer.
- (b) the report on the statement of tax benefits dated October 9, 2018 received from M/s. Thanawala & Co., Chartered Accountants in the form and context it appears in this Draft Letter of Offer.

We have obtained the consent of M/s. Thanawala & Co. to include their name as "expert" in this Draft Letter of Offer vide letter dated October 9, 2018, and this consent has not been withdrawn as on the date of this Draft Letter of Offer.

Issue related expenses

The total expenses of the Issue are estimated to be approximately [●]. The expenses of the issue included, *inter alia*, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, commission payable to SCSBs, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Amount (in ₹)*	As percentage of total expenses	As percentage of Issue size	a
Fees of the Lead Manager, Registrar to the Issue, Legal Advisor, Monitoring Agency, Auditor's fees, etc.	[●]	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	[●]	[●]	[●]	[●]
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	[●]	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]	[●]

*will be finalized at the time of filing the Letter of Offer and determination of Issue Price and other details.

Previous Issues by our Company

Our Company was listed on the stock exchanges by way of Direct Listing by submission of Information Memorandum to the stock exchanges.

Our Company has not made any public or rights issue since incorporation.

Issue of Securities otherwise than for Cash

Under the Composite Scheme of Arrangement among Omkar Speciality Chemicals Limited, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited, Desh Chemicals Private Limited and Lasa Supergenerics Limited and their respective shareholders as sanctioned by the National Company Law Tribunal Mumbai Bench on 13th April, 2017, 22,36,445 shares of our Company were issued to Omkar Speciality Chemicals Limited at the face value of ₹10 each.

Further, our Company issued and allotted shares, without any further application or deed, credited as fully paid-up, to the shareholders of Omkar Speciality Chemicals Limited in the ratio of 1 (one) equity share having face value of ₹ 10 each of our Company for every 1 (one) equity share having face value of ₹10 each of Omkar Speciality Chemicals Limited, each equity share being fully paid-up.

Apart from as mentioned hereinabove and as disclosed in “*Capital Structure*” on page 54 of this Draft Letter of Offer, our Company has not issued any Securities otherwise than for cash.

Commission or Brokerage on previous issues

Our Company has not undertaken any public issues since incorporation.

Previous capital issue during the last three years by group companies and associates

None of our group companies and associates of our Company have made any capital issue during the last three years.

Performance vis-à-vis objects

Our Company has made a public or rights issue since incorporation. Further, none of our group companies or associate companies has made a public or rights issue in the ten years preceding the date of this Draft Letter of Offer.

Outstanding Debentures/Bonds and Preference Shares

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company outstanding as on the date of this Draft Letter of Offer.

Option to Subscribe

Other than as disclosed in the chapter “*Capital Structure*” on page 54 of this Draft Letter of Offer, our Company has not given any person any option to subscribe for the Equity Shares.

Stock Market Data

The Equity Shares of our Company are currently listed on the BSE Limited and on the NSE. Our Company was listed on BSE Limited and on NSE on with effect from September 21, 2017.

The high, low prices and average of closing prices recorded on the BSE and the NSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

BSE Limited

Financial Year	High (₹)*	Date of high	No. of shares traded on date of high	Total volume traded on date of high (₹ in lakhs)	Low (₹)	Date of low	No. of shares traded on date of low	Total volume of traded on date of low (₹ in lakhs)	Average price for the year (₹)
2018	207.65	Jan 03, 2018	85,469	1,77,55,540	85.65	Mar 26, 2018	48,546	41,61,919	142.35
2017									NOT APPLICABLE*
2016									NOT APPLICABLE*

(Source: www.bseindia.com)

*Company got listed on the BSE on September 21, 2017.

National Stock Exchange of India Limited

Financial Year	High (₹)*	Date of high	No. of shares traded on date of high	Total volume traded on date of high (₹ in lakhs)	Low (₹)	Date of low	No. of shares traded on date of low	Total volume of traded on date of low (₹ in lakhs)	Average price for the year (₹)
2018	208.85	Jan 03, 2018	3,53,091	7,35,80,449	85.80	Mar 26, 2018	1,77,034	1,51,51,066	142.40
2017									NOT APPLICABLE*
2016									NOT APPLICABLE*

(Source: www.nseindia.com)

*Company got listed on the NSE on September 21, 2017.

Our Company was listed on the BSE and the NSE on September 21, 2017. Thus, as on the date of this Draft Letter of Offer, the securities of our Company have been listed on the stock exchanges only for a period of approximately 13 months.

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

BSE Limited

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (₹ in lakhs)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (₹ in lakhs)	Average price for the month (₹)**
October 2018	19-10-18	22.80	3,629	82,058	09-10-18	17.05	9,837	1,72,297	19.72
September 2018	03-09-18	31.90	22,158	7,09,131	28-09-18	21.35	65,727	14,95,036	26.58
August 2018	02-08-18	43.75	1,08,104	47,35,731	29-08-18	29.15	12,603	3,71,236	33.65
July 2018	02-07-18	41.80	8,498	3,53,700	20-07-18	29.25	17,873	5,21,014	36.22
June 2018	01-06-18	54.95	1,645	90,392	28-06-18	38.10	14,850	5,68,051	43.52
May 2018	11-05-18	83.35	68,352	56,59,547	31-05-18	57.80	6,651	3,84,427	72.63

(Source: www.bseindia.com)

* High and low prices are based on the high and low of the daily closing prices.

**Average of the daily closing prices.

National Stock Exchange of India Limited

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (₹ in lakhs)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (₹ in lakhs)	Average price for the month (₹)**
October 2018	15-10-18	22.55	20,356	4,15,316	09-10-18	17.10	52,240	9,11,890	19.60
September 2018	03-09-18	31.80	39,175	12,42,736	26-09-18	21.15	1,12,222	23,94,603	26.45
August 2018	02-08-18	43.7	2,41,732	1,05,37,000	23-08-18	29.05	68,558	20,30,000	33.65
July 2018	02-07-18	41.80	95,229	39,64,687	20-07-18	29.50	1,08,344	31,67,498	36.30
June 2018	01-06-18	54.60	10,345	5,64,837	28-06-18	38.00	50,519	19,25,641.6	43.44
May 2018	16-05-18	80.95	69,502	55,01,628.45	31-05-18	57.45	10,560	6,06,672.00	72.68

(Source: www.nseindia.com)

* High and low prices are based on the high and low of the daily closing prices.

**Average of the daily closing prices.

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The closing price of the Equity Shares as on January 08, 2017, the trading day immediately following the day on which Board approved the Issue, was ₹ 190.00 and ₹ 190.45 on the BSE and the NSE respectively.

Week end closing prices of the Equity Shares for the last four weeks on BSE Limited and NSE are as below:

BSE Limited

Week Ended on	Closing Price (₹)	Highest Price (₹)*	Date of High	Low price (₹)*	Date of Low
October 26, 2018	21.90	21.90	October 22, 2018	18.45	October 26, 2018
October 19, 2018	22.80	22.80	October 19, 2018	20.60	October 15, 2018
October 12, 2018	19.65	19.65	October 12, 2018	17.05	October 09, 2018
October 05, 2018	18.50	20.45	October 01, 2018	18.50	October 05, 2018

(Source: www.bseindia.com)

*High and low prices are based on the high and low of the daily closing prices

National Stock Exchange of India Limited

Week Ended on	Closing Price (₹)	Highest Price (₹)*	Date of High	Low price (₹)*	Date of Low
October 26, 2018	18.25	21.45	October 22, 2018	18.25	October 26, 2018
October 19, 2018	22.55	22.55	October 19, 2018	20.55	October 15, 2018
October 12, 2018	19.60	19.60	October 12, 2018	17.10	October 09, 2018
October 05, 2018	18.70	20.30	October 01, 2018	18.70	October 05, 2018

(Source: www.nseindia.com)

* High and low prices are based on the high and low of the daily closing prices

Change in Auditors

The following table sets out the change in auditors of our Company since incorporation:

Name of Auditor	Date	Nature of Change	of Appointment Term	Reason
M/s. Ramanand & Associates, Chartered Accountants	May 15, 2018	Cessation		Non ratification by Shareholders through Postal Ballot/ E-voting.
M/s. Ramanand & Associates, Chartered Accountants	March 7, 2018	Appointment		Appointment as Joint Statutory Auditor
M/s. Thanawala & Co., Chartered Accountants	February 21, 2018	Appointment	-	Appointment as Statutory Auditors
M/s. Shah & Kathariya, Chartered Accountants	February 17, 2018	Resignation	-	Due to pre-occupation in other assignments.
M/s. Shah & Kathariya, Chartered Accountants	May 16, 2016	Appointment as First Auditors	Till the conclusion of the AGM to be held in the year 2017.	Appointment as Statutory Auditors

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. Our Company is registered with the SEBI Complaints Redress System ("SCORES") as required by the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by the Company.

Our Company has constituted a Stakeholders Relationship Committee to look into the redressal of Shareholder Investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases of refusal of transfer/transmission of shares and debentures, complaints for non-receipt of dividends etc. For further details on this committee, see “*Our Management - Stakeholders Relationship Committee*” on page 147 of this Draft Letter of Offer.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Money blocked, ASBA account number and the Designated Branch or the collection centre of the SCSB where the application form was submitted by the ASBA Investor.

The following is the status of the Investor grievance complaints received since incorporation:

Period	Complaints Received	Complaints Resolved	Complaints Pending
Fiscal 2018	2	2	NIL
April 1, 2018 to Date of Draft Letter of Offer	NIL	NIL	NIL

As on the date of filing of this Draft Letter of Offer, there are no Investor complaints pending.

Investor Grievances arising out of the Issue

Our Company’s investor grievances arising out of the Issue will be handled by Bigshare Services Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least 3 (three) years from the last date of dispatch of allotment advice/ demat credit /refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Applicant, number and type of Securities applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renounee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 15 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

The contact details of the Registrar and Share Transfer agent to our Company are as follows:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai 400 059
Maharashtra, India

Telephone: +91 22 6263 8200

Fax number: +91 22 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance email: investor@bigshareonline.com

Contact Person: Srinivas Dornala

SEBI Registration Number: INR000001385

Investors may contact the Compliance Officer or the Registrar in case of any pre-Issue / post- Issue related problems such as non-receipt of Allotment advice/ demat credit/ refund orders etc. The contact details of the Compliance Officer are as follows:

Nidhi Kulshreshtha

Company Secretary and Compliance Officer

Lasa Supergenerics Limited

B-207, Citi Point, J.B. Nagar,

Andheri Kurla Road,

Andheri (East),

Mumbai – 400059

Telephone: +91 22 4970 1092

E-mail: cs@lasalabs.com

Capitalization of reserves or profits

Other than as disclosed under the section “*Capital Structure*” on page 54 of this Draft Letter of Offer, our Company has not capitalized any of its reserves or profits since incorporation.

Revaluation of Assets

There has been no revaluation of assets of our Company since incorporation.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer and the CAF, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer.

OVERVIEW

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, including the CAF, the SAF, the Memorandum of Association and Articles of Association, the provisions of the Companies Act, the FEMA, applicable guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of Equity Shares issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of listing agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the allotment advice or security certificate. Our Company and the Lead Manager are not liable for any amendments, modification or changes in applicable law which may occur after the date of the Letter of Offer.

Please note that in terms of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIB Applicants, Non-Institutional Investors (including all companies or body corporates) and other Applicants whose application amount exceeds ₹ 2 lakhs, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. Further, all QIBs and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2 lakhs. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process, provided they are eligible ASBA investors. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose application amount is less than ₹ 2 lakhs, can participate in the Issue either through the ASBA process or the non ASBA process. Renounees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Securities through the non-ASBA process, irrespective of the application amounts.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications, in the Letter of Offer, the Abridged Letter of Offer and the CAF, before making their application through the ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the Application, for ensuring compliance with the applicable regulations.

Renounees

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on January 6, 2018 pursuant to Section 62(1) (a) of the Companies Act, 2013

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the Equity Shares held in the electronic form and on the Register of Members in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAFs.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. The distribution of this Letter of Offer/Abridged Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Person into whose possession the Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer/Abridged Letter of Offer/CAF that such person is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, will not be, in any restricted jurisdiction.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute under and including any court proceedings and/or currently under transmission or are held in a demat suspense account pursuant to the Regulation 39 of the SEBI Listing Regulations and for which our Company has withheld the dividend, shall be held in abeyance and the CAFs in relation to these Rights Entitlement shall not be dispatched pending resolution of the dispute / completion of the transmission. On submission of documents / records, confirming the legal and beneficial ownership of the Equity Shares with regard to these cases, to the satisfaction of the Issuer, before the Issue Closing Date, the Issuer shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Shareholder. The identified Eligible Shareholder shall be entitled to subscribe to the Rights Equity Shares with respect to these Rights Entitlement before the Issue Closing Date at the Issue Price of ₹ [●] per Rights Equity Share as adjusted for any bonus shares, consolidation or spilt of shares (as may be applicable) in accordance with the provisions of the Companies Act, 2013 and all other applicable laws.

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Equity Share will have the face value of ₹10 each.

Issue Price

Each Equity Share shall be offered at an Issue Price of ₹ [●] for cash at a premium of ₹ [●] per Equity Share. The Issue Price has been arrived at after consultation between our Company and the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹ [●] shall be payable at the time of making the Application.

The Payment towards each Equity Shares offered will be applied as under:

- ii. ₹ 10 towards share capital; and
- iii. ₹ [●] towards securities premium account.

A separate cheque/ demand draft/ pay order must accompany each application form.

All payment should be made by cheque/ demand draft/pay order drawn on any bank, (including a cooperative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques/money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payment against applications, if such payments are made in cash.

Pursuant to the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest scheme has been withdrawn and accordingly, payment through Stockinvest will not be accepted in the Issue.

Where an applicant has applied for additional Equity Shares and is allotted lesser number of Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in a multiple of [●] Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the allotment of one additional Equity Share each, if such Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

For example, if an Equity Shareholder holds [●] Equity Shares, he will be entitled to [●] Equity Shares on a rights basis. He will also be given a preferential consideration for the Allotment of one additional Equity Share if he has applied for the same.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Equity Shares under this Issue shall be dispatched a CAF with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and would be given preference in the allotment of one additional Rights Issue Equity Share if, such Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same to third parties. CAF's with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Eligible Equity Shareholder holds between one and [●] Equity Shares, he will be entitled to zero Equity Shares on a rights basis. He will be given a preference for Allotment of one additional Equity Share if he has applied for the same.

Ranking

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares allotted under this Issue shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to Equity Shareholders as per the provisions of the Companies Act and the provisions of our Articles of Association.

For further details regarding our dividend policy, please refer to “*Dividend Policy*” on page 162 of this Draft Letter of Offer.

Listing and trading of Equity Shares proposed to be issued

Our Company’s existing Equity Shares are currently listed and traded on BSE (Scrip Code: 540702) and NSE (Symbol: LASA) under the ISIN – INE670X01014 on BSE and NSE. The fully paid-up Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN and shall be frozen till the time final listing/trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares shall be taken within 12 Working Days of finalization of the Issue Closing Date. Our Company has received in-principle approval from the BSE limited through letter no. [●] dated [●] and from the NSE through letter no. [●] dated [●]. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Equity Shares. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under the Issue will trade after the listing thereof.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by BSE and/or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable laws.

The listing and trading of the Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Subscription to the Issue by the Promoter and the Promoter Group

Our Promoter, Omkar Herlekar, has confirmed that he intends to subscribe to the full extent of his Rights Entitlement in the Issue. In addition to subscription to his Rights Entitlements, our Promoter has further confirmed that he intends to subscribe to additional Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoter and Promoter Group not exceeding 75% of the post Issue capital of our Company.

Such subscription of Equity Shares over and above the Rights Entitlement of our Promoter, Omkar Herlekar, if allotted, may result in an increase in his shareholding. However, the acquisition of additional Equity Shares by our Promoter shall not result in a change of control of the management of our Company and shall not result in breach of minimum public shareholding requirement in accordance with Regulation 38 of the SEBI Listing Regulations read with Rule 19 (2) and Rule 19A of SCRR.

For further details of under subscription and Allotment to the Promoter, see “*Terms of the Issue – Basis of Allotment*” on page 278 of this Draft Letter of Offer.

Rights of the Equity Shareholders

Subject to applicable laws, the Eligible Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared.
- Right to attend general meetings and exercise voting powers proportionate to the amount paid-up, unless prohibited by law;
- Right to vote on poll, either in person or proxy and exercise voting power, unless prohibited by law;
- Right to receive offers for Equity Shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013 and our Memorandum of Association and Articles of Association.

General Terms and Conditions of the Issue for ASBA and Non-ASBA Investors

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Equity Shares in dematerialized mode is one (1) Equity Share. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue one certificate for the Equity Shares allotted to each folio (the “**Consolidated Certificate**”). Such Consolidated Certificate may be split into smaller denominations at the request of the respective Eligible Shareholder.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. CAF would be required to be signed by all the joint holders. In case of renunciation, joint holders will sign Part B of the CAF.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to

receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by us. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Equity Share himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased holder.

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.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with us, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“DP”) of the Applicant would prevail. Any Applicant desirous of changing the existing nomination is requested to inform their respective DP.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and Telugu daily newspaper with wide circulation and/ or will be sent by ordinary post/ registered post/ speed post to the registered address of the Eligible Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders, from time to time. However, the distribution of this Draft Letter of Offer / Letter of Offer / Abridge Letter of Offer and the issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Offer to Non Resident Eligible Equity Shareholders/Investors

As per Regulation 6 of Notification No. FEMA 20(R)/2017-RB dated November 7, 2017, the RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Equity Shares and issue of letter of allotment. **The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Equity Shares. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which Equity Shares are issued on rights basis.

CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account must be opened.

Details of Separate Collecting Centres for Non-Resident Applications shall be printed on the CAF

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated Non-Resident entities.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.

Subscription by Promoter and Promoter Group

Omkar Herlekar, our Promoter through his letter dated April 18, 2018 (the "Subscription Letter") has confirmed that he intends to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

The members of the Promoter and Promoter Group may subscribe to the Equity Shares pursuant to their Rights Entitlement and / or renunciation, as applicable.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Code and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Code. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified under the SCRR and as required under the SEBI Listing Regulations.

In case the Rights Issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Underwriting to the Issue

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Procedure for Application

The CAF for Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us, the application is liable to be rejected.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit. Eligible Shareholders should note that those who are making the application in such duplicate CAF should not utilise the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Shareholders violates any of these requirements they shall face the risk of rejection of both applications.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non- Institutional Investors, or (iii) Investors whose Application Money is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renounees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money.

Composite Application Form (“CAF”)

The Registrar to the Issue will dispatch the CAF to Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. The CAF will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to Applicants may also choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see “*Terms of the Issue*” at page 254 of this Draft Letter of Offer.

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Equity Shares;
- Part B: Form for renunciation of Equity Shares;
- Part C: Form for application for renunciation of Equity Shares by Renounee(s);
- Part D: Form for request for split Application forms.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in the Equity Shares, then he/she can:

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part (without renouncing the other part);
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his Rights Entitlement in full and apply for additional Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the application money payable to the Bankers to the Issue and any of the collection centers as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai / demand draft payable at Mumbai to the Registrar to the Issue by registered post / speed post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF, attributable to postal delays or if the CAF is misplaced in the transit. Applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see “*Mode of*

Payment for Resident Equity Shareholders / Applicants” and “Mode of Payment for Non-Resident Equity Shareholders/ Applicants” on page 268 and 268, respectively of this Draft Letter of Offer.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue*” on page 254 of this Draft Letter of Offer.

Further, under the Foreign Exchange Regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Due to the aforementioned factors FPIs, FVCIs, multilateral and bilateral institutes intending to apply for additional Equity Shares or intending to apply for Equity Shares renounced in their favour shall be required to obtain prior approval from the appropriate regulatory authority.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares by indicating the details of additional Equity Shares applied in place provided for additional Equity Shares in Part C of CAF.

Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/ or register and Equity Shares in favour of the following Renounees: (i) more than three persons (including joint holders), (ii) partnership firm(s) or their nominee(s), (iii) minors, (iv) HUF, or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Applications by HUFs will be treated as on par with applications by natural persons. Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Share or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce in favour of persons or entities in the United States, or persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws in the United States or any other jurisdiction or as otherwise contemplated in this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer.

The RBI has, pursuant to its letter dated October 13, 2017, conveyed its approval for the renunciation of Rights Entitlement by, and to, persons resident in India and persons resident outside India in the Issue, subject to adherence of Regulation 6 of Notification No. FEMA 20(R)/2017-RB dated November 7, 2017, as amended.

In terms of Regulation 6 of Notification No. FEMA 20(R)/2017-RB dated November 7, 2017, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional Equity Shares over and above the Equity Shares offered on rights basis by our Company.

Any renunciation (i) from resident Indian equity shareholder(s) to non –resident, or (ii) from non-resident equity shareholder (s) to resident Indian (s), or (iii) from a non-resident equity shareholder(s) to other non-resident(s), is subject to the renouncer (s)/ renounee(s) obtaining the necessary regulatory approvals. Our Company proposes to

apply to the RBI for seeking approval for renunciation of Rights Entitlement by (a) an Eligible Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Eligible Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Eligible Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). In case our Company does not receive such approval, the renouncer/ renounee is required to obtain such approval and attach to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the Eligible Equity Shareholders of our Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of the Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000- RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for our Company of the person(s) applying for Equity Shares in part 'C' of the CAF to receive Allotment of such Equity Shares. The Renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part 'A' of the CAF must not be used by the Renounee(s) as this will render the application invalid. Renounee(s) will have no further right to renounce any Equity Shares in favour of any other person.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renounees without assigning any reason thereof.

Procedure for renunciation

To renounce all the Equity Shares offered to an Eligible Equity Shareholder in favour of one Renounee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renounees, all joint Renounees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first spilt into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company/Depositories, the application is liable to be rejected.

Renounee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with application money in full.

Change and/or introduction of additional holders

If an Applicant wish to apply Equity Shares jointly with other person(s), not more than three, who is/are not already a joint holder with such person, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors of our Company shall be entitled in its absolute discretion to reject the request for Allotment from the Renounee(s) without assigning any reason therefore.

Instructions for Options

The summary of options available to the Eligible Equity Shareholders is presented below. Applicants may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

Sr. No.	Options Available	Action Required
1.	Accept whole or part of Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign)
2.	Accept Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)
3.	Accept a part of Rights Entitlement and renounce the balance to one or more Renounee(s) OR Renounce Rights Entitlement to all the Equity Shares offered to more than one Renounee.	Fill in and sign Part D (all joint holders must sign) requesting for SAFs. Send the CAF to the Registrars to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renounee. Each of the Renounee should fill in and sign Part C for the Equity Shares accepted by them.
4.	Renunciation of Rights Entitlement in full to one person (Joint Renounees are considered as one)	Fill in and sign Part B (all joint holders must sign) indicating the number of Equity Shares renounced and hand it over to the Renounee. The Renounee must fill in and sign Part C (All joint Renounees must sign)

Sr. No.	Options Available	Action Required
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

All applicants applying for shares in physical form have to provide Original Cancelled Cheque with name printed on it OR copy of passbook or bank statement attested by banker, along with the right equity share application. In case it is not provided, your application will be liable to be rejected.

All applicants applying for shares in physical form are requested to note that pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24. dated June 8, 2018, with effect from one hundred and eightieth day from the date of circular, transfer of securities shall not be processed unless securities are held in dematerialized form with a depository, except in case of transmission or transposition of securities.

Please note that:

- Options (3), (4) and (5) will not be available for Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Applicants must provide information in the CAF as to their account number and the name of the bank, to enable Registrar to print the information on the refund orders where Equity Shares are held in physical form.
- Request for each SAFs should be made for minimum of one Equity Share or, in either case, in multiples thereof and one SAF for balance Equity Shares, if any.
- Request by the Applicant for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Applicant(s) by post at the applicant's risk.
- Eligible Equity Shareholders shall not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive Allotment of such Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the Application Form or SAF in the same order and as per specimen signatures recorded with our Company/ Depositories.
- Applicants must write their CAF numbers at the back of the cheque / demand draft.
- Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad shall be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Equity Shares, subsequent issue and Allotment of Right Equity Shares, interest, export of share certifications, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholder, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

13. The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the Applicant who should furnish the registered folio number/ DP and Client ID and his/ her full name and address to the Registrar to the Issue. Please also note that shareholder has an option to print the duplicate CAF from the website of the Registrar to the Issue (website: www.bigshareonline.com) by providing his / her folio. no. / DP ID / Client ID to enable the shareholder to apply for the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least seven (7) days prior to the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Applicant violates such requirements, he / she shall face the risk of rejection of either original CAF or both the applications. Neither our Company nor the Registrar or the Lead Manager to the Issue will be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar to the Issue. For further details on the mode of payment, see “*Mode of Payment for Resident Equity Shareholders / Applicants*” and “*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*” on page 268 and 268, respectively of this Draft Letter of Offer. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super-scribed “[●] – Rights Issue” and should be postmarked in India. The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of the issuer being Lasa Supergenerics Limited;
2. Name and Indian address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID Number;
4. Number of Equity Shares held as on Record Date;
5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
6. Allotment option preferred – physical or demat form, if held in physical form;
7. Number of Equity Shares entitled to;
8. Number of Equity Shares applied for;
9. Number of additional Equity Shares applied for, if any;
10. Total number of Equity Shares applied for;
11. Total application amount paid at the rate of ₹ [●] per Equity Share;
12. Particulars of cheque/ demand draft;

13. Savings/Current Account Number and name and address of the bank where the Applicant will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories.
14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
15. Signatures of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or Depositories;
16. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the demand draft confirming that the demand draft has been issued by debiting the NRE/FCNR/NRO account.
17. For ASBA Investors, application on plain paper should have details of their ASBA Account.
18. Additionally, non residents Applicants shall include the representation in writing that:

“I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Securities or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Applicants in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholders violates such requirements, he/she shall face the risk of rejection of

both the applications. Our Company shall refund such application amount to the Applicant without any interest thereon.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. The Board of Directors or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under "Basis of Allotment" in "*Terms of the Issue*" on page 278 of this Draft Letter of Offer.

Modes of Payment

Investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Issue Closing Date.

Mode of payment for Resident Equity Shareholders / Applicants

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "*Lasa Supergenerics Limited*" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar on or before Issue Closing Date;
2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn in favour of "*Lasa Supergenerics Limited*", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super-scribed "*Lasa Supergenerics Limited – Rights Issue*". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Equity Shareholders / Applicants

As regards the applications by non-resident Investor, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe for Securities by applicable local securities laws can obtain application forms from the following address:

Registrar to the Issue

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai 400 059.

Telephone: + 91-22 – 6263 8200

Fax number: + 91- 22- 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com/

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Srinivas Dornala

SEBI Registration Number: INR000001385

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

2. Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Securities may be restricted by applicable securities laws.
3. All non-resident investors should draw the cheques/ demand drafts for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.
4. Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of “Lasa Supergenerics Limited”, crossed ‘A/c Payee only’ payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed “Lasa Supergenerics Limited – Rights Issue”. Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.
5. Payment by non-residents must be made by demand draft payable at [●] / cheque drawn on a bank account maintained at [●] or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

1. By Indian Rupee drafts purchased from abroad and payable at [●] or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
2. By cheque / bank drafts remitted through normal banking channel or out of funds in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorised to deal in foreign currency in India, along with documentary evidence in support of remittance;
3. By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at [●];
4. FIIs registered with SEBI must utilise funds from special non-resident rupee account;
5. Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of “Lasa Supergenerics Limited – Rights Issue”, crossed “A/c Payee only” for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;
6. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as non-residents holding Securities on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in [●] or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at [●]. In such cases, the Allotment of Securities will be on non-repatriation basis.
2. Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of “[●]”, crossed “A/c Payee only” for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;

3. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRE accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.
4. An Eligible Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI / Government of India as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process

This section is for the information of the ASBA Applicants proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Applicants who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

Our Company, Lead sManager, our Directors, our employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non Institutional Investors, or (iii) Investors whose Application Money is more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renounees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money. All non-retail Investors are encouraged to make use of ASBA process wherever such facilities is available.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA ACCOUNT ON THE RECORD DATE.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Equity Shares in the Issue through the ASBA Process is only available to the Applicants of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account. More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Securities either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard.

Additional Securities

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Securities under applicable law and you have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the BSE and in the manner prescribed under “*Terms of the Issue*” on page 254 of this Draft Letter of Offer.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Securities in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renounees, nor can renounce their Rights Entitlement.

Mode of payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar, the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

A Retail Individual Investor applying for a value of up to ₹200,000, can participate in the Issue either through the ASBA process or non-ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (All joint holders must sign)
Accept your Rights Entitlement in full and apply for additional Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Securities (All joint holders must sign)

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Additional Equity Shares

An Eligible Shareholder is eligible to apply for additional Equity Shares over and above the number of Equity Shares that such an Eligible Shareholder is entitled to, provided that the Eligible Shareholder is eligible to apply for the Equity Shares under applicable law and has applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue – Basis of Allotment*” on page 278 of this Draft Letter of Offer. If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super -scribed “*Lasa Supergenerics Limited – Rights Issue*” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/ Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of Issuer, being Lasa Supergenerics Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
5. Number of Equity Shares held as on Record Date;
6. Number of Equity Shares entitled to;
7. Number of Equity Shares applied for;
8. Number of additional Equity Shares applied for, if any;
9. Total number of Equity Shares applied for;
10. Total amount paid at the rate of ₹ [●] per Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
14. Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
15. Additionally, all such Eligible Equity Shareholders applying through ASBA are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Option to receive Equity Shares in Dematerialized Form

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

- a. Please read the instructions printed on the respective CAF carefully.
- b. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.
- c. The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company or the Registrar or the Lead Manager to the Issue.
- d. All Eligible Equity Shareholders, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Eligible Equity Shareholders for which PAN details have not been verified shall be “suspended for credit” and no allotment and credit of Securities pursuant to the Issue shall be made into the accounts of such Eligible Equity Shareholders.
- e. All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- f. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.
- g. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/ Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- h. All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

- i. Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.
- j. Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Securities under applicable securities laws are eligible to participate.
- k. Only the Eligible Equity Shareholders holding securities in demat are eligible to participate through the ASBA process.
- l. Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using the ASBA process.
- m. Please note that pursuant to the applicability of the directions issued by SEBI vide its circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all Eligible Equity Shareholders who are QIBs, Non-Institutional Eligible Shareholders and other Eligible Equity Shareholders whose application amount exceeds ₹ 2 lakhs can participate in the Issue only through the ASBA process. The Eligible Equity Shareholders who are not (i) QIBs, (ii) Non-Institutional Eligible Shareholders or (iii) investors whose application amount is less than ₹ 2 lakhs, can participate in the Issue either through the ASBA process or the non ASBA process.
- n. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.
- o. Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.
- p. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section “*Terms of the Issue*” on page 254 of this Draft Letter of Offer.

Do's:

- a. Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.
- b. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Securities will be allotted in the dematerialized form only.
- c. Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- d. Ensure that there are sufficient funds (equal to {number of Securities as the case may be applied for} X {Issue Price of Securities, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- e. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
- f. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

- g. Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Eligible Shareholder should mention their PAN allotted under the IT Act.
- h. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- i. Ensure that the Demographic Details are updated, true and correct, in all respects.
- j. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.
- k. All applicants applying for shares in physical form have to provide Original Cancelled Cheque with name printed on it OR copy of passbook or bank statement attested by banker, along with the right equity share application. In case it is not provided, your application will be liable to be rejected.
- l. All applicants applying for shares in physical form are requested to note that pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24. dated June 8, 2018, with effect from one hundred and eightieth day from the date of circular, transfer of securities shall not be processed unless securities are held in dematerialized form with a depository, except in case of transmission or transposition of securities.

Don'ts:

- a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- c. Do not pay the amount payable on application in cash, by money order, pay order or by postal order.
- d. Do not send your physical CAFs to the Lead Manager / Registrar / Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
- e. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- f. Do not apply if the ASBA account has been used for five Eligible Shareholders.
- g. Do not apply through the ASBA Process if you are not an ASBA Eligible Shareholder.
- h. Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under “*Grounds for Technical Rejection for non-ASBA Investors*” on page 285 of this Draft Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

- a. Application on a SAF (unless all the SAFs are used by the original shareholder).
- b. Application for allotment of Rights Entitlements or additional Securities which are in physical form.
- c. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- d. Sending an ASBA application on plain paper to the Registrar.

- e. Sending CAF to Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
- f. Renounee applying under the ASBA Process.
- g. Submission of more than five CAFs per ASBA Account.
- h. Insufficient funds are available with the SCSB for blocking the amount.
- i. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- j. Account holder not signing the CAF or declaration mentioned therein.
- k. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- l. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.
- m. QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for Securities in this Issue for value of more than ₹ 2 lakhs who hold Equity Shares in dematerialised form and is not a Renouncer or a Renounee not applying through the ASBA process.
- n. Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹ 2 lakhs but has applied separately through split CAFs of less than ₹ 2 lakhs and has not done so through the ASBA process.
- o. Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.
- p. Submitting the GIR instead of the PAN.
- q. An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- r. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- s. ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- t. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.
- u. Non-Institutional Investors who have a bank account with an SCSB providing ASBA facility in the location of the Non-Institutional Investors and the application by the Non-Institutional Investors is not made through that SCSB providing ASBA facility in such location.

Depository account and bank details for Eligible Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE ELIGIBLE

EQUITY SHAREHOLDERS AS ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of bank account of the respective Eligible Equity Shareholder. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Eligible Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Securities are not allotted to such Eligible Equity Shareholder. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Eligible Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

The Board of Directors of our Company, may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Articles of Association of our Company and the approval of the BSE, the Board will proceed to Allot the Equity Shares in the following order of priority:

- a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- b. Investor whose fractional entitlements are being ignored would be given preference in allotment of one additional Equity Shares each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for allotment under this head are more than number of Equity Shares available after allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the BSE and will not be a preferential allotment.
- c. Allotment to the Eligible Equity Shareholders who applied for all the Equity Shares offered to them as part of the Issue and has also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on a Record Date, provided there is an under-subscribed portion after making full Allotment in (a) and (b) above. The allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the BSE, as a part of the Issue and will not be a preferential Allotment.
- d. Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the BSE, as a part of the Issue and not preferential Allotment.
- e. Allotment to any other person that our Board/Committee of Directors as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose regulation 3 (1) (b) of the SEBI Takeover Code.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar of the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Securities in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ share certificates / demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds), or such other mode as may be mutually agreed upon between our Company, the Registrar and the Lead Manager.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately.

Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be kept ready within one month from the date of Allotment thereof or such extended time as may be approved by the National Company Law Tribunal under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order would be sent by registered post / speed post to the sole / first Investors registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked "Account Payee only" and would be drawn in favour of the sole/first Investors. Adequate funds would be made available to the Registrar to the Issue for this purpose. The letter of allotment / intimations would be sent by ordinary post.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the approval of the RBI, in case of non-resident Eligible Equity Shareholders or Applicants who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made net of bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post to the address in India of the non-resident Eligible Equity Shareholders or Investors.

The Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. National Automated Clearing House is a consolidated system of electronic clearing service ("NACH") – Payment of refund would be done through NACH for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar to the Issue. The payment of refunds is mandatory for Investors having bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).
2. National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Investor's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method. Our Company in consultation with the Lead Manager may decide to use NEFT as a mode of making refunds.
3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. Real Time Gross Settlement (“RTGS”) – If the refund amount exceeds ₹ 2 lakhs, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Investors.
5. For all other Investors the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Applicant and payable at par.
6. Credit of refunds to Applicants in any other electronic manner permissible under the banking laws which is in force, and is permitted by the SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Applicant’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ demat credit or letters of regret will be dispatched to the registered address of the first named Applicant or respective beneficiary accounts within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the respective share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Equity Shares in Dematerialised Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Applicant. Our Company has signed a tripartite agreement with NSDL on June 2, 2017 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on May 25, 2017 which enables the Applicants to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Investors who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a Depository Participant. Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investors by the Registrar to the Issue but the Investor’s Depository Participant will provide to him the confirmation of the credit of such Equity Shares to the Investor’s depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and /or dematerialized form should be made. If such

CAFs are made, the CAFs for physical Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Equity Shares sought in demat and balance, if any, will be allotted in physical Equity Shares. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

1. Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of our Company are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Applicants and the names are in the same order as in the records of our Company/Depositories.
3. The responsibility for correctness of information (including Applicant's age and other details) filled in the CAF vis-à-vis such information with the Applicant's Depository Participant, would rest with the Applicant. Applicants should ensure that the names of the Applicants and the order in which they appear in CAF should be the same as registered with the Applicant's Depository Participant.
4. If incomplete / incorrect beneficiary account details are given in the CAF, the Applicant will get Equity Shares in physical form.
5. The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's Depository Participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.
6. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
7. Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialised form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Applicants

- a. Please read the instructions printed on the enclosed CAF carefully.
- b. Application should be made on the printed CAF, provided by our Company except as mentioned under "*Investor on Plain Paper*" under "*Terms of the Issue*" on page 254 of this Draft Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/

or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Applicants, details of occupation, address, father's / husband's name must be filled in block letters.

- c. The CAF together with the cheque / demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

- d. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Applicants, and in the case of application in joint names, each of the joint Investors should mention his / her PAN number allotted under the I.T Act, 1961, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- e. Investors, holding Securities in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- f. All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- g. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.
- h. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.
- i. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/Depositories. Further, in case of joint Investors who are Renounees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- j. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares, as the case may be, shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of Equity Shares, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and issue of Equity Shares of our Company may be restricted by applicable securities laws, unless they are able to provide the representations, warranties and agreement specified for such persons under

- k. All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the Allotment Date in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the Allotment Date, should be sent to the Registrar and transfer agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
- l. SAFs cannot be re-split.
- m. Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.
- n. Investors must write their CAF number at the back of the cheque /demand draft.
- o. Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- p. A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.
- q. No receipt will be issued for application money received. The Bankers to the Issue / Escrow Collection Banks/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- r. The distribution of this Draft Letter of Offer and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Draft Letter of Offer and not to attempt to subscribe for Equity Shares.
- s. Investors shall be given an option to get the Equity Shares in demat or physical form.
- t. Investors are requested to ensure that the number of Securities applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

- a. Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Book Closure Date.
- b. Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.
- c. In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- d. Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.
- e. Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.

- f. Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.
- g. Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.
- h. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- i. Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- a. Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.
- b. Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Bankers to the Issue
- c. Do not pay the amount payable on application in cash, by money order or by postal order.
- d. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- e. Do not submit Application accompanied with stock invest.
- f. Do not submit CAF having the colour of ink specified for another class of Eligible Equity Shareholders.

Grounds for Technical Rejection for non-ASBA Investors

Applicants are advised to note that applications are liable to be rejected on technical ground, including the following:

1. Amount does not tally with the amount payable;
2. Bank account details (for refund) are not provided or available with the depositories or Registrar to the Issue, as the case maybe;
3. Age of Applicant(s) not given (in case of renounees);
4. Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
5. PAN allotted under the IT Act has not been mentioned by the applicant.
6. If the signature of the Applicant does not match with the one given on the CAF and for renounee(s) if the signature does not match with the records available with their depositories;
7. CAFs are not submitted by the Applicants within the time prescribed as per the CAF and this Draft Letter of Offer;
8. CAFs not duly signed by the sole / joint Applicants;
9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;
10. Submission of the CAFs to SCSBs;
11. Submission of plain paper Application to person other than Registrar;

12. CAFs accompanied by stock invest/ outstation cheques/ post-dated cheques/ money order/ postal order/outstation demand drafts;
13. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID;
14. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Securities in compliance with all applicable laws and regulations; unless such relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter, or appears to our Company or its agents to have been executed in or dispatched from the United State, unless such relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter, or where a registered Indian address is not provided; or in the case of all investors, where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.
15. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;
16. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided;
17. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
18. In case the GIR number is submitted instead of the PAN;
19. Applications by Renounees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
20. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application;
21. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹2 lakhs, not through ASBA process;
22. Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
23. If an Investor is debarred by SEBI and if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
24. Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹2 lakhs but has applied separately through SAFs of less than ₹ 2 lakhs and has not been undertaken through the ASBA process.
25. Non – ASBA applications made by QIBs and Non – Institutional Investors.

Please read this Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer.

Investment by FPIs and FIIs

In terms of the SEBI FPI Regulations, the issue of Securities to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Director followed by a special resolution passed by the shareholders of our Company. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An 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 sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

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.

Procedure for Applications by AIFs, FVCIs and VCFs

The VCF Regulations and the FVCI Regulations prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the AIF Regulations prescribe, amongst other things, the investment restrictions on AIFs.

As per the VCF Regulations and FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as category I AIFs, as defined in the AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by the portfolio investment scheme under Regulation 5(3)(i) of the FEMA 20, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular no. CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹2 lakhs shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

Application made by asset management companies or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹2 lakhs shall mandatorily make use of ASBA facility.

Impersonation

As a matter of abundant caution, attention of the Applicants is specifically drawn to the provisions of Section 38 of the Companies Act 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”

which states that “Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud: Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”

Dematerialized dealing

Our Company has entered into agreements dated May 25, 2017 and June 2, 2017 with CDSL and NSDL, respectively, and its Equity Shares bear the ISIN INE670X01014.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stock invest Scheme has been withdrawn with immediate effect. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board of Directors reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Applicant within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the CAF carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- a. All monies received out of this Issue shall be transferred to a separate bank account.
- b. Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remain unutilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized.

- c. Details of all such unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested, and
- d. Our Company will utilize the funds collected in the Issue only once the basis of Allotment is finalized.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE, Stock Exchange where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of Allotment.
3. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. Except as disclosed in "Capital Structure" in this Draft Letter of Offer, no further issue of securities affecting our Company's equity capital shall be made till the Securities issued/ offered in the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
6. The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time.
7. No further issue of securities affecting our Company's Equity Share Capital shall be made till the securities issued/ offered through this Letter of Offer are listed or till the application money are refunded on account of non-listing, under-subscription etc.
8. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
9. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the basis of Allotment.
10. At any given time there shall be only one denomination for the Equity Shares of our Company.
11. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
12. Our Company shall utilise the funds collected in the Issue only after finalisation of the Basis of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed "Lasa Supergenerics Limited - Rights Issue" on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Registrar to the Issue

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai 400 059

Telephone: + 91 22 6263 8200

Fax number: + 91 22 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com/

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Srinivas Dornala

SEBI Registration Number: INR000001385

The Issue will remain open for a minimum 15 days. However, the Board of Directors will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries / departments of the Government of India and the RBI. The Union Cabinet has recently approved phasing out the FIPB, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments.

Subsequently, the DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "Competent Authority") for the grant of *post facto* approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy

and FEMA and transfer does not attract the provisions of the SEBI Takeover Code; (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 SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and to the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision below is numbered as per the corresponding article number in the Articles of Association.

SHARE CAPITAL AND MEMBERS	
CAPITAL	
2	The Authorised Share Capital of the Company is as stated in Clause V of the Memorandum of Association of the Company with power to increase and/or reduce such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into Equity Share Capital or Preference Share Capital and to attract thereto respectively any preferential, qualified or special rights, privileges or conditions, if and whenever the capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, effected, extended, abrogated or surrendered as provided in the Articles of the Company and the legislative provisions for the time being in force. The Company shall be entitled to dematerialize its existing shares, reconvert its shares held by the depositories electronically to physical form and/or to offer its fresh shares in electronic form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.
PROVISIONS OF SECTION 43 TO 47 OF THE ACT TO APPLY	
3	The provisions of Sections 43 to 47 of the Act in so far as the same may be applicable shall be observed by the Company.
SHARE AT THE DISPOSAL OF THE DIRECTORS	
4	Subject to the provisions of Sections 42 and 62 of the Act and these articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may 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 such times as they may from time to time think fit and with sanction of the Company in general meeting to give to any person the option to call for any shares either at par or at premium during such time and for such consideration as the Directors think fit, and may allot and issue shares in the capital of the Company in payment or part payment for any property sold and transferred or for service rendered to the Company or the conduct of its business and any shares which may be so allotted may be issued as partly paid or fully paid up shares and if so issued shall be deemed to be party paid or fully paid shares.
EVERY SHARE TRANSFERABLE, ETC.	
5	(a) The shares or debentures or other interest of any member in the Company shall be movable property, transferable in the manner provided by the Articles of the Company. (b) A certificate under the common seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member to such shares.
APPLICATION OF PREMIUM RECEIVED ON ISSUE OF SHARES	
6	(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregated amount or value of the premium on those shares shall be transferred to “Security Premium Account”, and the provisions of this Act relating to the reduction of the share capital of a Company shall, except as provided in this section, apply as if the security premium account were the paid-up share capital of the Company. (b) The Security Premium Account may, notwithstanding anything in clause (a), be applied in the Company: (i) Towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares; (ii) In writing off the preliminary expenses of the Company; (iii) In writing off the expenses of, or the commission paid or discount allowed on any issue of the shares or debentures of the Company; or (iv) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company; or (v) For the purchase of its own shares or other securities under section 68 of the Act.
FURTHER ISSUE OF CAPITAL	

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- 7 (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –
- a) persons who, at the date of offer, are holders of Equity Shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - b) employees under any scheme of employees' stock option; or
 - c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

MODE OF FURTHER ISSUE OF SHARES

- 7 (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

SALE OF FRACTIONAL SHARES

- 8 If and whenever as the result of new or further shares or any consolidation or subdivision of shares, any shares become held by members in fractions, the Directors of the Company in General Meeting, if any, sell those shares, which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sell thereof. For the purpose of giving effect to any such sell, the Directors may authorize person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he 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 proceeding in reference to the sale.

ACCEPTANCE OF SHARES

- 9 An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the register, shall, for the purpose of these articles, be a Member. The Directors shall comply with the provisions of the Act so far as applicable.

DEPOSITS AND CALLS ETC. TO BE A DEBT PAYABLE IMMEDIATELY

- 10 The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted to them, shall immediately, on the insertion of the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee hereof, and shall be paid by him accordingly.

INSTALLMENTS ON SHARES TO BE DULY PAID

- 11 If by the condition of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time, shall be the registered holder of the share or his legal representative.

CALLS ON SHARES OF THE SAME CLASS

- 12 (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- (2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
- (4) A call may be revoked or postponed at the discretion of the Board.

LIABILITY OF JOINT HOLDERS OF SHARES

- 13 The joint holders of a share(s) shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share(s).

COMPANY'S ASSETS NOT BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

- 14 (a) Company shall not have power to buy its own shares, unless the consequent reduction of Capital is effected and sanctioned in pursuance of Section 67 of the Act.
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- (b) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase of subscription and or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause (b) shall be taken to prohibit:

- (i) The provision in accordance with any scheme for the time being in force, of money for the purchase of or subscription for, fully paid shares in the Company or its holding Company being a purchase or subscription by trustees of or for shares to be held by or the benefit of employees of the Company including any Director holding a Salaried office employment in the Company, or
- (ii) The making by the Company of loans within the limits laid down in sub section (3) of section 67 of the Act to persons (other than Directors, Managing Directors or manager) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding companies to be held by themselves by way of beneficial ownership.

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- (c) Nothing in this Article shall affect the right of a Company to redeem any shares issued under section 55 of the Act.

BUY-BACK OF SHARES

- 15 Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

REGISTER OF MEMBERS

- 16 (1) a) The Company shall cause to be kept register and an index of members, debenture holder and of any other security holder in accordance with section 88 of the Act. The Company may also keep a register of foreign members, debenture holders and other security holders or beneficial owners residing outside India in accordance with sub section (4) of section 88 of the Act.
- b) The Company shall also comply with the provisions of section 92 of the Act as to filing annual returns.

- 17 (2) The registers, indexes, copies of annual returns, except when they are closed under the provisions of this Act, shall be open for inspection by any member, debenture- holder, other security holder or beneficial owner, without payment of any fees during 11.00 A.M. to 1.00 P.M. on all working days other than Saturdays and by any other person on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

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- (3) Any member, debenture- holder, other security holder or beneficial owner or any other person may—

- a) take extracts from any register, or index or return without payment of any fee; or
- b) require a copy of any such register or entries therein or return on payment of fees of Rupees 10/- for each page.

-
- (4) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

REGISTERS

- 18 The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

COPY OF THE MEMORANDUM AND ARTICLES TO BE FURNISHED BY DIRECTORS

- 19 The Company shall on being so required by member, send to him within 7 (Seven) days of the requirement and subject to the payment of fees of Rupees 100/- (Rupees One Hundred Only) or such other fees as may be prescribed under the Rules, a copy of each of the following documents as in force for the time being:
- a) The Memorandum;
 - b) The Article; and
 - c) Every agreement and every resolution referred to in sub section (1) of the section 117 of the Act, if and in so far they have not been embodied in the memorandum or articles.

UNDERWRITING AND COMMISSION

POWER TO PAY CERTAIN COMMISSION AND PROHIBITION OF PAYMENT OF ALL OTHER COMMISSIONS, DISCOUNTS, ETC

- 20 (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

LIEN

- 21 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.
- c) 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.

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—

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) 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.

SHARE CERTIFICATE

CERTIFICATE OF SHARES

- 22 (i) The certificate of title to shares shall be issued under the common seal of the Company and shall be signed by such Directors or officers or other authorized persons as may be prescribed by the rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.
- (ii) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under section 46 and 56 of the Act.
- (iii) Notwithstanding anything contained in the Articles of a Company, the manner of issue of a certificate of shares or the duplicate thereof, the form of such certificate, the particulars to be entered in the register of

members and other matters shall be such as may be prescribed under the Act and Rules framed thereunder.

MEMBER'S RIGHT TO CERTIFICATE

- 23 (i) Every member(s) shall be entitled without payment to one Certificate for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several Certificates, each for one or more of such shares and the Company shall complete such Certificate within the time provided by Section 56 of the Act. Every Certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a Certificate for a share to one of several joint holders shall be sufficient to all such holders.
- (ii) Notwithstanding anything in clause (i) above, the Directors shall, however, comply with such requirements of the stock exchange where shares of the Company are listed or such requirement of any Rules made under the Act or such requirement of the Securities Contracts (Regulation) Act, as may be applicable.

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACTED, LOST OR DESTROYED, ETC.

- 24 If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

CALLS

- 25 The Directors may from time to time and subject to section 49 of the Act make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotments thereof made payable at fixed times and such members shall pay the amount of every call so made on him to the persons and at the times and places appointed by Directors. A call may be made payable by installments.

CALL TO DATE FROM RESOLUTION

- 26 A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by members on a subsequent date to be specified by the Directors.

NAME OF CALL

- 27 Atleast 14 days' notice shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment provided that before the time for payment of such call, the Directors may by notice in writing to the members, revoke the same.

DIRECTORS MAY EXTEND TIME

- 28 The Directors may from time to time at their discretion extend the time fixed for the payment of any calls, and may extend such time as to all or any of the members, as the Directors may deem reasonable but no member shall be entitled to such extension save as a matter of grace and favour.

AMOUNT PAYABLE AT FIXED TIME OR BY INSTALLMENTS AS CALLS

- 29 If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given, and all the provisions herein contained in respect of calls shall relate to such amount or installments accordingly.

WHEN INTEREST ON CALL OR INSTALLMENT PAYMENT

- 30 If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for time being or allottee of the shares in respect of which a call shall have been made or the installment shall be due, shall pay interest for the same at such rate as the Directors shall fix subject to the limits prescribed under the Act, from the day appointed for the payment to time of actual payment but the Directors may waive payment of such interest wholly or in part.

PARTIAL PAYMENT NOT TO PRECLUDE

- 31 Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from member in respect of any shares either by way of principle of any such money shall preclude the forfeiture of such shares as herein provided.

PROOF ON TRIAL OF SUIT ON MONEY ON SHARES

- 32 On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the register of member as the holder or one of holders, at or subsequently to the date at which the money sought to be recovered is alleged to have due, of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such calls or any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST

- 33 (i) The Directors may, if they think fit, subject to the provisions of section 50 of the Act, receive from any member willing to advance the same, all or any part of the sum unpaid on any shares held by him, beyond, the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon and the Directors may at any time repay the amount so advanced upon giving to such member three months' notice in writing. Provided that moneys paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.
- (ii) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but to payment become presently payable.

PAYMENT OF DIVIDEND IN PROPORTION TO AMOUNT PAID- UP

- 34 A Company may pay dividend in proportion to the amount paid- up on each share.

FORFEITURE, SURRENDER AND LIEN

IF CALL OR INSTALLMENTS NOT PAID, NOTICE MUST BE GIVEN

- 35 (i) If any member fail to pay the whole or any part of any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgment of decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission, recurring him to pay such Call or installment or such part thereof or other money as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
- (ii) The notice shall name a day not being less than 14 days' from the date of service of notice and a place or places, on and at which such call, installment or such part or other moneys as aforesaid and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non- payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.

IN DEFAULT OF PAYMENT SHARES TO BE FORFEITED

- 36 If the requirements of any such notice as aforesaid not complied with, any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interests and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Director to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

ENTRY OF FORFEITURE IN REGISTER OF MEMBERS

- 37 When any share shall have been so forfeited, an entry of the forfeiture with the date thereof shall be made in the register of member but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

FORFEITED SHARES TO BE PROPERTY OF THE COMPANY AND MAY BE SOLD

38 Any share so forfeited shall be deemed to be the Property of the Company, and may be sold, re shall be or otherwise disposed of either to the original holder or any other person upon such terms and in such manner as the Directors shall think fit.

POWER TO ANNUL FORFEITURE

39 The Directors may at any time, before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul forfeiture hereof upon such conditions as they think fit.

SHAREHOLDERS STILL LIABLE TO PAY MONEY OWING AT TIME OF FORFEITURE AND INTEREST

40 Any member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and forthwith pay to the Company, all calls, installments, interests and expenses and other moneys owing upon or in respect of such shares at the time of forfeiture together with interests thereon from the time of forfeiture, until payment, at such rate as the Directors may determine subject to the rate as may be prescribed under the Act, and the Directors may enforce the payment of the whole or a portion thereof, they think fit, but shall not be under any obligation to do so.

SURRENDER OF SHARES

41 The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrounding them on such terms as they think fit.

COMPANY'S LIEN ON PARTLY PAID-UP SHARES

42 The Company shall have no lien on its fully paid- up shares. In the case of partly paid up shares, the Company shall have a first and paramount lien only in respect of all money called or payable in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from the provision of this article.

ACT OF ENFORCING LIEN BY SALE

43 For the purpose of enforcing such lien, the Directors may sell the shares subject there to in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, or default have (if any) entitled by transmission to the shares and default have been made by him in payment, fulfillment or discharge of such debts, liabilities or engagements for 7 (seven) days after such notice.

APPLICATIONS OF PROCEEDS OF SALE

44 The net proceeds of any such sale after payment of the costs of such sale be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) be paid to such member or the person (if any) entitled by transmission to the shares so sold.

CERTIFICATE OF FORFEITURE

45 A certificate in writing under the hand of one Director and counter signed by the Company Secretary or any other officer authorized by the Directors for the purpose, that the call in respect of share was made and notice thereof given, and that default in payment of the call was made and that default in payment of the call was made and that in forfeiture of the share was made by a resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such shares.

VALIDITY OF SALES AFTER FORFEITURE OR AFTER ENFORCING A LIEN

46 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers here in before given, the Directors may appoint some person or execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold, and the purchaser shall not be bound to see to the regularly of preceding, or to the application of the purchase money and after his name has been entered in the register of members in respect of such shares, the validity of the sale shall not be impacted by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TITLE OF PURCHASER AND ALLOTTEE FOR FORFEITED SHARES

47 The Company may receive the consideration, if any given for the shares on any sale, reallocation or other disposition thereof, and the person to whom such share is sold, reallocated or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the share and shall not be bound to see to the application of the consideration, 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, reallocation or other disposal of the share.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

FORM OF THE TRANSFER

- 48 The instrument of transfer shall be in writing and the provisions of section 56 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

TO BE SIGNED BY TRANSFEROR AND TRANSFEREE

- 49 Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members in respect thereof.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER/TRANSMISSION

- 50 (i) Subject to the provisions of the Act, the Directors may at their discretion and by reason, subject to the right of appeal conferred by the Act decline to register or acknowledge any transfer of shares not being a fully paid share and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company.

Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

- (ii) Nothing in Section 56 of the Act shall prejudice this power to refuse or register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in, or debentures of, the Company.
- (iii) If the Company refuses, whether in pursuance of any power under these articles or otherwise, to register any such transfer or transmission of right, it shall, within 30 days from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

TRANSFER OF SHARES OR TRANSMISSION

- 51 (i) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall be undertaken in the case of partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and subject to the provisions of clause (iv) the Company shall unless objection is made by the Transferee, within 2 (Two) Weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as in the application for registration was made by the transferee

- (ii) For the purpose of clause (i) notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered to him in the ordinary course of post.

- (iii) A Company shall not register a transfer of securities of the Company, or the interest of a member in the Company in the case of a Company having no share capital, other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer, in such form as may be prescribed, duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee within a period of sixty days from the date of execution, along with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of securities:

Provided that where the instrument of transfer has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

- (iv) If the Company refused to register the transfer of any shares, the Company within 30 days from the date on which the instrument of transfer lodged with the Company send to the transferee and the transferor notice of the refusal as provided in Article 50.
- (v) Nothing in clause (iii) above shall prejudice any power of the Company to register, on receipt of an intimation of transmission of any right to securities by operation of law from any person to whom such
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right has been transmitted. Nothing in this article shall prejudice any power of the Company to refuse to register the transfer of any share.

CUSTODY OF INSTRUMENT OF TRANSFER

- 52 The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register, shall be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds lying with the Company after such period as they may determine.

CLOSURE OF REGISTER OF TRANSFER AND OF MEMBERS

- 53 The Directors shall be empowered, on giving not less than 7 (Seven) days' notice or such less period as may be specified by SEBI, by advertisement in a newspaper circulating in the district in which the Registered Office is situated, to close the Transfer Books, the Register of Members, the Register of Debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each Year, as it may seem expedient.

TITLE OF SHARES TO DECEASED HOLDER

- 54 Subject to the provisions of the Securities and Exchange Board of India Act and Rules & Regulations notified thereunder, the executors or administrator of a deceased member (whether Christian, Hindu, Mohamedan, Parsi or otherwise not being one or two or more joint holders) or the holder of a succession certificate shall be the only persons whom the Company will be bound to recognize as having any title to the shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate unless they shall have first obtained probate or letters of administrator or a succession certificate as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or letters of administrator or a succession certificate and under the said Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member

REGISTRATION OF PERSONS ENTITLED TO SHARES OTHERWISE THAN BY TRANSFER "TRANSMISSION CLAUSE"

- 55 Any persons becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors upon producing such evidence that he sustains that character in respect of which he proposes to act under this article or of his title as the Directors shall require, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by Directors registered as a member in respect of such shares provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favor of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of such shares. A transfer of the shares or other interest in the Company of a deceased member made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been member at that time of the execution of the instrument of transfer. This Article shall not prejudice the provision of Articles 50 and 57.

FORFEITURE OF UNCLAIMED DIVIDENDS

- 56 The Company will not forfeit unclaimed dividends before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases.

REFUSAL TO REGISTER NOMINEE

- 57 The Board shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

NOMINATION FACILITY

- 58 (a) Every holder of Shares in, or holder of Debentures of the Company may, at any time, nominate, in the prescribed manner, a person (hereinafter in this Article means "an Individual") to whom his Shares in, or Debentures of, the Company shall vest in the event of his death.
- (b) Where the Shares in or Debentures of, the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint-holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in, or Debentures of the Company, where a

nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of, the Company, the nominee shall, on the death of Shareholder or holder of Debentures of the Company or, as the case may be, on the death of the joint- holders become entitled to all the rights in the Shares or Debentures of the Company or as the case may be, all the jointholders, in relation to such Shares in, or Debentures of the Company to the exclusion of all the other Persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures, to make the nomination and to appoint, in the prescribed manner, any person to become entitled to Shares in or Debentures of the Company, in the event of his death, during the minority.

(e) Any person who become a nominee by virtue of the provisions of Section 72 of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either;

(i) To be registered himself as holder of the Share or Debenture, as the case may be, or

(ii) To make such Transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case maybe, could have made.

(f) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share or Debenture, himself as the case may be, he shall deliver or send to the Company notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

(g) All the limitations, restrictions and provisions of this Act relating to the right to Transfer and registration of Transfers of Shares or Debentures shall be applicable to any such notice or Transfer as aforesaid as if the death of the Member had not occurred and the notice or Transfer were signed by that shareholder or debenture holder, as the case may be.

(h) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death 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 Shares or Debenture, except that he shall not, before registering a Member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(i) 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 or Debenture, 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 or Debentures, until the requirements of the notice have been complied with.

BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

59 Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless in indemnity by giving to the Company with regard to such registration which the Director at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

60 The Company shall incur no liability whatsoever in consequence of its registering or giving effect to any transfer thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may entered such notice or refereed there to in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the company shall nevertheless be at liberty to regard and to any such notice and give effect hereto, if the Directors shall so think fit.

TRANSFER OF DEBENTURES

61 The provision of these articles shall mutatis mutandis apply to the transfer or transmission by operation of the law, of debentures of the Company.

DEMATERIALIZATION OF SHARES

62 The Company shall be entitled to admit securities issued by the Company to any Depository and to offer securities in a dematerialised form in pursuance to the Depositories Act, 1996. Every person subscribing to securities offered by the Company, and every Member, Debenture Holder or Debenture Stock Holder shall have the option to either hold the securities in the form of security certificates or to hold the securities with a Depository.

Where any Member or Debenture Holder or Debenture Stock Holder surrenders his certificate of securities held in the Company in accordance with Section 6 of the Depositories Act, 1996, and the Securities & Exchange Board of India (Depositories and Participants) Regulations, 1996, the company shall cancel the certificate and substitute in its records the name of the relevant depository and inform the Depository accordingly. The Company shall maintain a record of certificates of securities that have been so dematerialised. Such persons who hold their securities with a Depository can at any time opt out of the Depository, if permitted by the law, and the Company shall in such manner and within such time as prescribed by law, issue to such persons the requisite certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Security

63 Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner. Every person holding securities of the Company and whose name is entered as Beneficial Owner in the records of the Depository shall be deemed to be the Member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits subject to all the liabilities in respect of his securities which are held by a Depository. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

64 Every Depository shall furnish to the Company about the transfer of securities in the name of a Beneficial Owner at such intervals and in such manner as may be specified by the byelaws and the Company in that behalf. The securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

CONVERSION OF WARRANTS INTO EQUITY SHARES

65 Subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR) Regulations”) as may be amended from time to time and with the consent of the Members of the Company at a General Meeting by way of Special Resolution, the Board of Directors of the Company or a Committee thereof duly authorised by the Board of Directors may issue and allot Warrants convertible into the Equity Shares or such other instrument(s) on such rate, terms and conditions to the existing shareholders, general public or on preferential basis to the Promoter, promoter group, person acting in concert, Directors, Bodies Corporate, banks, financial institutions, OCBs, NRIs or such other persons from time to time as the Board may think fit. The Board of Directors of the Company shall be authorized to make provisions as to the allotment and issue of Warrants convertible into Equity Shares or any other instrument(s) and in particular may determine to whom the same shall be offered whether at par or at premium subject to the provisions of the Act and all the applicable provisions of the SEBI (ICDR) Regulations.

66 The Company may, by special resolution, authorise the Board to convert Warrants into the Equity Shares or such other instruments at such rates (including premium), on such terms and conditions as may be determined by the Board and in accordance with the SEBI (ICDR) Regulations or as may be determined by the Securities and Exchange Board of India, Stock Exchange, Central Government or other authorities either on single trench or otherwise as per the discretion of the Board.

67 The Board may from time to time subject to the terms on which any warrants convertible into Equity Shares or such other instrument(s) may have been issued make call upon the warrant holders in respect of the balance amount unpaid on the warrants held by them respectively at the time of providing option for conversion of warrants into the Equity Shares or such other instrument(s) of the Company and same shall be payable at such fixed time(s) by the warrant holder who shall pay the amount of the call made

	on them at time and places appointed by the Board. In case of failure to exercise the option and make payment thereof, the amount so deposited at the time of issue of warrant shall be forfeited by the Board.
68	All the dividend, if declared by the members shall be appropriated and paid proportionately to the amount paid or credited as paid on the shares on paripassu basis with the existing shareholders for whole of the year in which the shares have been issued and for each subsequent year
INCREASE, REDUCTION AND ALTERATION OF CAPITAL	
INCREASE OF CAPITAL	
69	The Company may from time to time in General Meeting increase its shares capital by creation of new shares of such amount as it thinks expedient.
ON WHAT CONDITIONS THE NEW SHARES SHALL BE ISSUED	
70	(i) Subject to the provision of sections 42, 43, 47, 55 and 62 and other applicable provisions of the Act and rules framed thereunder, the new shares shall be issued upon such conditions the General Meeting creating the same shall direct and if no direction be given, as the Directors shall determine and in particular, such shares may be issued subject to the provisions of the said section with the preferential or qualified rights to dividends and in distribution of Assets of the Company and with such right and privileges annexed thereto as and subject to the provisions of the said sections with a special or without any right of voting and subject to the provisions of the section 55 of the Act, any preference shares may be issued on the terms that they are at the option of the Company are liable to be redeemed.
	(ii) Unless the Company in General Meeting shall otherwise determine, the provisions of sections 42 and 62 of the Act shall be complied with, with regard to the offer of such shares.
SAME AS ORIGINAL CAPITAL	
	(iii) Except so far as otherwise provided by the conditions of issue or by these presents any capital realized by the creation of new shares shall be considered part of the original capital and shall be subject to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.
POWER TO ISSUE REDEEMABLE PREFERENCE SHARES	
71	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to Equity Shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
POWER TO ISSUE SHARES WITH DIFFERENTIAL VOTING RIGHTS	
72	The Company shall have the power to issue Shares with such differential rights as to Dividend, voting or otherwise, subject to the compliance with the provisions of the Act and/or any other law as may be applicable.
REDUCTION OF CAPITAL	
73	The Company may, subject to the provisions of Sections 52, 55, 66 and other applicable provisions of the Act and the Rules from time to time, by resolution as prescribed by the Act, reduce in any manner its Capital, any Capital Redemption Reserve Account or Securities Premium Account any other reserve in the nature of share capital in any manner for the time being authorized by the law.
DIVISION AND SUB- DIVISION	
	The Company in General Meeting by resolution prescribed by the Act alter the conditions of its memorandum as follows, that is to say, it may:
	(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 its shares or any of them into shares of smaller amount than originally fixed by the memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub- division, the proportion between the amount paid, and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced is derived so that as between the holder of the share from such subdivision one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage or otherwise over the others or any other such shares;

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- (d) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

NOTICE TO REGISTER CONSOLIDATION OF SHARE CAPITAL, CONVERSION OF SHARE CAPITAL INTO STOCKS, ETC.

75 (1) If the Company has:

- a) Consolidated and divided its share capital into shares or large amount than its existing shares;
- b) Converted any shares into stock;
- c) Re- converted any stock into shares;
- d) Sub- divided into shares or any of them;
- e) Redeemed any redeemable preference shares, or
- f) Cancelled any shares otherwise than in connection with a reduction of share capital under Section 66 of the Act, the Company shall within 30 days after doing so, give notice thereof to the registrar specifying as the case may be, the shares consolidated, divided, converted, sub divided redeemed or cancelled or the stock reconverted

(2) The Company shall thereupon request the registrar to record the notice and made any alteration which may be necessary in the Company's memorandum or articles or both.

(3) The cancellation of shares shall not be deemed to a reduction of shares capital.

MODIFICATION OF RIGHT

VARIATION OF SHAREHOLDERS' RIGHTS

76 If at any time the share capital is divided into different classes of shares, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, in accordance with the provisions of section 48 of the Act. The dissentient member shall have the right to apply to the Tribunal and/or any other Authority delegated/constituted for the time being in accordance with the provisions of Section 48 of the Act.

ISSUE OF FURTHER SHARES NOT TO EFFECT RIGHTS OF EXISTING SHAREHOLDERS

77 The rights or privileges conferred upon the holders of the shares of any class issued with preferred or other right shall, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied or modified or effected by the creation or issue of further shares ranking pari passu therewith.

ISSUE OF BONUS SHARES

78 (1) The Company may issue fully paid- up bonus shares to its members, in any manner whatsoever, out of;

- (i) its free reserves;
- (ii) the securities premium account; or
- (iii) the capital redemption reserve account:

Provided that no issue of bonus shares shall be made by capitalizing reserves created by the revaluation of assets.

(2) The Company shall not capitalize its profits or reserves for the purpose of issuing fully paidvaluationshares under clause (1) above, unless;

- (a) it has, on the recommendation of the Board, been authorized in the General Meeting of the Company;

	(b) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;
	(c) it has not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus;
	(d) the partly paid- up shares, if any outstanding on the date of allotment, are made fully paid- up;
	(e) it complies with such conditions as may be prescribed by the Act.
(3)	The bonus shares shall not be issued in lieu of dividend.
ISSUE OF SWEAT EQUITY SHARES	
79	Subject to the terms and conditions prescribed in Section 54 of the Act and the rules and regulations prescribed in this connection, the Board of Directors may offer, issue and allot Shares in the Capital of the Company as sweat Equity Shares
RIGHTS TO CONVERT LOANS INTO CAPITAL	
80	Nothing contained in these Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company
	(i) to convert such Debentures or loans into Shares in the Company; or
	(ii) to subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise).
	Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in General Meeting. Notwithstanding anything contained in this Article and subject to provisions of Section 62(4) of the Act, where any debentures have been issued or loan has been obtained from any Government by a Company, and if that Government considers it necessary in the public interest to do so, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion
TERMS OF ISSUE OF DEBENTURES	
81	Any Debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Share and attending (but not voting) at General Meeting and otherwise. Debentures with the right to conversion into Shares shall be issued only with the consent of the Company in General Meeting accorded by a special resolution.
ASSIGNMENT OF DEBENTURES	
82	Such Debentures, debenture- stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.
JOINT HOLDERS	
83	Where 2 or more persons are registered as joint holders of any shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
NO TRANSFER TO MORE THAN THREE PERSONS AS JOINT HOLDERS	
(a)	The Company shall be entitled to decline to register more than three persons as the holders of any share
LIABILITIES OF JOINT HOLDERS	
(b)	The jointES OF JOINT HOLDERSd to decline to register more than three persons as the holders of any sharesaminstallments and other payments which ought to be made in respect of such shares.
DEATH OF JOINT HOLDERS	
(c)	On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognize by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holders from any liability on shares held by him jointly with any other person

RECEIPT OF ONE SUFFICIENT

- (d) Any one of such joint holders may give effectual receipts of any dividends or other moneys payable in respect of such shares.

DELIVERY OF CERTIFICATE AND GIVING OF NOTICE OF FIRST NAMED HOLDER

- (e) Only the person whose name stands first in the register of member as one of the joint holder of any shares shall be entitled to the delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed to have been given to all the joint holders.

VOTE OF JOINT HOLDERS

- (f) Any one of two or more joint holders may vote at any meeting either personally or by any agent duly authorized under a power of attorney or by proxy in respect of such share as if he were solely entitled there to and if more than one such joint- holder be present at any meeting personally or by proxy or by attorney than one of such persons so present whose name stands first or higher on the register of member in respect of such share shall alone be entitled to vote in respect thereof.

Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent, duly authorized under power of attorney or by proxy although the name of such person present by an agent or proxy stands first on the register of members in respect of such shares. Several executors of a deceased member in whose sole name any share stands, shall for the purpose of this clause be deemed joint holders.

BORROWING POWERS

POWER TO BORROW

- 84 Subject to the provisions of sections 179 and 180 of the Act, the Directors may from time to time at their discretion borrow any such or sums of money for the purpose of the Company.

CONDITION ON WHICH MONEY MAY BE BORROWED

- 85 The Directors may raise and secure the payment of the such sum or sums in such manner and upon such terms and conditions in all respect as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture- stock or any mortgage or charge or other security on the undertaking of the whole or any part of property of the Company (both present and future) including its uncalled capital for the time being

ISSUE AT DISCOUNT, ETC. OR WITH SPECIAL PRIVILEGES

- 86 Any bonds, debenture- stocks or other securities may be issued, subject to the provision of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, attending at meeting of the Company appointment of Directors and otherwise and subject to the following:-

DEBENTURE WITH VOTING RIGHTS NOT TO BE ISSUED

- (a) The Company shall not issue any debenture with voting rights at any meeting of the Company whether generally or in respect of the particular classes of business.
- (b) Certain charges mentioned in section 77 of the Act shall be void against the liquidator or creditors unless registered as provided in section 77 of the Act.
- (c) The term “charge” shall include mortgage in these Articles.
- (d) A contract with the Company to take up and pay for any debenture of the Company may be enforced by a decree for specific performance.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

- (e) The Company shall, within 2 (two) months after the allotment of any of its debenture or debenture- stocks, and within 1(one) month after the application for the registration of the transfer of any such debenture or debenture- stocks, shall complete the allotment and transfer and deliver the certificate(s), unless conditions of issue of the debentures or debenture- stocks otherwise provide. The expression “transfer” for the purpose of this clause means a transfer duly stamped and otherwise valid, and does not include and transfer which the Company is for any reason entitled to refuse to register and does not register.

RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED

- 87 (1) A trust deed for securing any issue of debenture shall be open for inspection to any member or debenture holder of the Company, in the same manner, to the same extent and on the payment of the same fees, as if it were the register of members of the Company; and

- (2) A copy of the trust deed shall be forwarded to any member or debenture holder of the Company, at his request, within seven days of making thereof, on payment of fee of Rupees 10/- per page or part thereof or as may be prescribed in Rules framed thereunder.

INDEMNITY MAY BE GIVEN

- 88 If the Director or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or cause affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

REGISTRATION OF CHARGES

- 89 (a) The provisions of the Act relating registration of charges which expression shall include mortgage shall be complied with.
- (b) In the case of a charge created out of India and comprising solely property situated outside India the provisions of section 77 of the Act shall be complied with.
- (c) Where a charge is created in India but comprising property outside India, the instrument creating or purporting to create the charge under section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid of effectual according to the law of the country in which the property is situated as provided by section 77 of the Act.
- (d) Whether any change or any property of the Company required to be registered under section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the change as from the date of such registration.
- (e) In respect of registration of charges on properties acquired subject to charge, the provisions of section 79 of the Act shall be complied with.
- (f) The Company shall comply with the provisions of section 77 of the Act as regards registration of particulars of every charge and of every series of debentures.
- (g) As to modification of charges the Company shall comply with the provisions of section 79 of the Act.
- (h) The Company shall comply with the provisions of section 85 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provision of section 84 of the Act in regard to entering in the register of charge any appointment of receiver or manager as therein provided.
- (i) The register of charges and instrument of charges, shall be open for inspection during 11.00 A.M. to 1.00 P.M. on all working days other than Saturdays.
- (a) by any member or creditor without any payment of fees; or
- (b) by any other person on payment of fees of rupees 50/- per inspection or such fees as may be prescribed in the rules framed thereunder.
- (j) The Company shall also comply with the provisions of section 82 of the Act as to reporting satisfaction of any charge and procedure thereafter.
- (k) The Company shall keep at its Registered Office, a Register of Charges and enter therein all charges specifically affecting and property of the Company and all floating charges affecting any property or assets of Company or any of its undertakings, indicating in each case such particulars as may be prescribed under section 85 of the Act.
- (l) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of the Act and Rules framed.

REGISTER OF MEMBERS AND DEBENTURE HOLDERS

- 90 The Company shall comply with the provisions of section 88 of the Act as to Register Members and Register and Index of Debenture holders.

TRUST NOT RECOGNIZED

- 91 No notice of any trust, express or implied or constructive, shall be entered on the Register of Members or Debenture holders or be receivable by the Registrar, except as may be required under or authorised by any legislative enactment.

ANNUAL RETURN

92 The Company shall comply with the provision of 92 of the Act regarding filing of Annual Return with the Registrar.

GENERAL MEETINGS

ANNUAL GENERAL MEETING

93 (1) (a) The Company shall in each year hold in addition to any other meetings, a General Meeting as its Annual General Meeting at the intervals, and in accordance with the provisions of the Act.

Provided that the Registrar may, for any reason extend the time within any Annual General Meeting shall be held, by such period as may be provided in the Act.

(b) Except in the cases referred to in the Act, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next

TIME AND PLACE OF ANNUAL GENERAL MEETING

(b) Every Annual General Meeting shall be called for any time during business hours, on a day that is not a National holiday, and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company be situated, and the notice calling the Meeting shall specify it as the Annual General Meeting.

POWER OF TRIBUNAL TO CALL GENERAL MEETING

94 (1) If default is made in holding an Annual General Meeting in accordance with section 96 of the Act, the Tribunal and/or any other Authority delegated/constituted for the time being may, notwithstanding anything contained in the Act or in the Articles of the Company, on the application of any member of the Company, call, or direct the calling of, an Annual General Meeting of the Company, and give such ancillary or consequential directions as the Tribunal and/or any other Authority delegated/constituted for the time being thinks expedient.

(2) A General Meeting held in pursuance of clause (1) shall subject to directions of the Tribunal and/or any other Authority delegated/constituted for the time being, be deemed to be an Annual General Meeting of the Company under the Act.

POWER OF DIRECTIONS TO CALL EXTRA ORDINARY GENERAL MEETINGS

95 All general meetings other than annual general meeting shall be called extraordinary general meeting.

96 Subject to provisions of the Act, the Directors may call an extra ordinary General Meeting of the Company whenever they think fit.

CALLING OF EXTRA ORDINARY GENERAL MEETING

97 (1) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (3) of this Article, forthwith proceed duly to call an Extra Ordinary General Meeting.

(2) The requisition shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.

(3) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one- tenth of such of the paid-up Share Capital of the Company as at that date carried the right of voting in regard to that matter.

(4) If the Board does not, within twenty- one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of Three months from the date of requisition.

(5) A meeting called under clause (4) of this Article by the requisitionists shall be called and held in the same manner in which meetings are to be called by the Board.

(6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) of this Article shall be reimbursed to the requisitionists by the Company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the Directors who were in default in calling the meeting.

LENGTH OF NOTICE FOR CALLING MEETING

98 (1) A General Meeting of the Company may be called by giving not less than clear twenty one days' notice either in writing or through electronic mode in such manner as may be prescribed.

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- (2) A General Meeting of the Company may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety- five percent of the members entitled to vote at such meeting

CONTENTS AND MANNER OF SERVICE OF NOTICE AND PERSONS ON WHOM IT IS TO BE SERVED

- 99 (1) Every notice of a meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.
-
- (2) Notice of every meeting of the Company shall be given;
- (i) to every members of the Company, legal representative of any deceased member or the assignee of an insolvent member;
 - (ii) to the Auditor or Auditors of the Company; and
 - (iii) to every Director of the Company
 - (iv) to such person as may be prescribed in the Act or Rules framed thereunder.
-
- (3) Any Accidental omission to give notice to, or the non- receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE

- 100 (1) A statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:-
- a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of- -
 - (i) every Director and the Manager, if any;
 - (ii) every other Key Managerial Personnel; and
 - (iii) relatives of the persons mentioned in sub- clauses (i) and (ii);
 - b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
-
- (2) For the purposes of clause (1) above,
- a) in the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than- -
 - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
 - (ii) the declaration of any dividend;
 - (iii) the appointment of Directors in place of those retiring;
 - (iv) the appointment of, and the fixing of the remuneration of, the Auditors; and
 - b) in the case of any other meeting, all business shall be deemed to be special:
-
- (3) Where any item of special business to be transacted at a meeting of the Company relates to or affects any other Company, the extent of shareholding interest in that other Company of every promoter, Director, manager, if any, and of every other key managerial personnel of the first mentioned Company shall, if the extent of such shareholding is not less than two percent of the paid- up share capital of that Company, also be set out in the statement.
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- (4) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement clause (1).
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QUORUM FOR MEETING

- 101 (1) Such number of Members as prescribed under Section 103 of the Act, entitled to be personally present depending upon the number of Members of the Company from time to time, shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.
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- (2) If the quorum is not present within half an hour from the time appointed for holding a meeting of the Company-
- (i) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
 - (ii) the meeting, if called by requisitionists under section 100 of the Act, shall stand cancelled.

Explanation: - In case of an adjourned meeting or of a change of day, time or place of meeting under clause

- (i) the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
-
- (3) If at the Adjourned meeting also a quorum is not present within a half hour from the time appointed for holding the meeting, the members present shall be a quorum.

PRESENCE OF QUORUM

- 102 (a) No business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

BUSINESS CONFINE TO ELECTION OF CHAIRMAN WHILST CHAIRMAN VACANT

- (b) No business shall be discussed or transacted at any General Meeting before the election of a chairman except the election of a chairman while the chair is vacant.

CHAIRMAN OF GENERAL MEETING

- (c) The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no Chairman or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose one of themselves to be chairman and if no Director is present, or if all the Directors decline to take the chair, then the Members present shall choose from themselves to be the Chairman for that meeting.

CHAIRMAN WITH CONSENT MAY ADJOURN THE MEETING

- (d) The Chairman with consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company sits.

BUSINESS AT ADJOURNED MEETING

- 103 (1) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place
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- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
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- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
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- (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

PROXY

- 104 (1) Any member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
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- (2) The instrument appointing a proxy and the power- of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
-
- (3) An instrument appointing a proxy shall be in the form as prescribed in the Rules.
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- (4) 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:
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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.

- (5) Every Member entitled to vote at a meeting of the Company or any resolution to be moved there at shall be entitled during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and up to the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect, is given to the Company.

VOTE OF MEMBERS

RESTRICTIONS ON EXERCISES ON VOTING RIGHTS OF MEMBERS WHO HAVE NOT PAID CALLS, ETC.

- 105 No member shall exercise any voting right in respect of any shares registered in his name on which any calls or others sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

RESTRICTION OF EXERCISE OF VOTING RIGHT IN OTHER CASES BE VOID

- 106 A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in article 103.

EQUAL RIGHTS OF SHAREHOLDERS

- 107 Any Shareholder whose name is entered in the Register of Member of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of same class.

VOTING RIGHTS

- 108 (1) a) Subject to any rights or restrictions for the time being attached to any class or classes of shares –
b) on show of hands, every member present in person shall have one vote; and
c) on poll, the voting rights of members shall be in proportion to his share in the paid up equity share capital of the Company.

- (2) A member may exercise his vote at a meeting by electronic means in accordance with the Act & Rules made thereunder and shall vote only once.

- (3) Votes casted by the shareholders through e- voting shall be conclusive. A poll (before or on the declaration of the result of the e- voting) may be demanded/ ordered to be taken by the Chairman of the Meeting on his own motion, and/or shall be ordered to be taken by him on a demand made in that behalf by members present in person or proxy in accordance with the provisions of Section 109 of the Act, provided that such members present in person or proxy has not voted on all or certain specific resolution through e-voting method. Unless a poll is so demanded, a declaration by the Chairman that the resolution, through e- voting has been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

NO VOTING BY PROXY ON SHOW OF HANDS

- (b) Members who are not personally present shall not be entitled to vote on a show of hands unless such members is a body corporate present by representative duly authorized under section 113 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company.

VOTE BY MEMBERS OF UNSOUND MIND AND MINORS

- (c) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

VOTES IN RESPECT OF SHARES OF DECEASED OR INSOLVENT MEMBERS ETC.

- (d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to transfer any share may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (Forty-Eight) hours before the time
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of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

CUSTODY OF THE INSTRUMENT

- (e) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, if embracing other objects, a copy thereof examined with the original, shall be delivered to the Company to remain in custody of the Company.
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VALIDITY OF VOTES GIVEN BY PROXY NOTWITHSTANDING DEATH OF MEMBERS ETC.

- (f) A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death, revocation of transfer shall have been received at the registered office of the Company before the meeting.
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TIME FOR OBJECTIONS FOR VOTES

- (g) No Objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
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CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF ANY VOTE

- (h) The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll be the sole judge of the validity of every vote tendered at such poll.
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DECISION BY POLL

- 109 If a poll is duly demanded, it shall be taken in such manner as the Chairman directs, and the results of the e- voting and poll together shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.
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CASTING VOTE OF CHAIRMAN

- 110 In case of equal votes, whether under e- voting only or a poll followed thereby, the Chairman of the meeting shall be entitled to a casting vote in addition to the vote or votes to which he may be entitled to as a Member.
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POLL TO BE IMMEDIATE

- 111 (a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty-eight hours from the time of demand, as the Chairman of the meeting directs.
- (b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.
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PASSING RESOLUTIONS BY POSTAL BALLOT

- 112 (a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.
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TIME OF TAKING POLL

- 113 (a) A Poll demanded on a question of adjournment of the meeting or appointment of chairman of the meeting shall be taken forthwith.
- (b) A Poll demanded on any other question other than adjournment of the meeting or appointment of chairman shall be taken at such time, not being later than 48 (forty-eight) hours from the time when the demand was made, as the chairman may direct.
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- (c) Where a poll is to be taken, the chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinize the votes given on the poll and to report there to him in the manner as may be prescribed.

POWERS TO ARRANGE SECURITY AT MEETINGS

- 114 The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

REPRESENTATION OF BODY CORPORATE

- 115 (1) If it is a member of a Company within the meaning of this Act, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company.
- (2) A body Corporate (whether a Company within the meaning of the Act or not) may, if it is a member or creditor of the Company including being a holder of debentures, authorize such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting any meeting of creditors of the Company held in pursuance of this Act or of any rules made there under, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

REPRESENTATIVE OF PRESIDENT OF INDIA OR GOVERNOR OF STATE

- 116 The representative of the president of India or of the governor of a state if he is a member of the Company may be allowed in accordance with provisions of section 112 of the Act or any other statutory provisions governing the same.

CIRCULATION OF MEMBERS RESOLUTION

- 117 The Company shall comply with the provisions of section 111 of the Act relating to circulation of member's resolution.

RESOLUTION REQUIRING SPECIAL NOTICE

- 118 The Company shall comply with the provisions of section 115 of the Act relating to resolutions requiring special notice.

RESOLUTIONS PASSED AT ADJOURNED MEETINGS

- 119 The Provisions of section 116 of the Act shall apply to resolutions passed at an adjourned meeting of the Company or of holders of any class of shares in the Company and of the Board of Directions of the Company and the resolutions shall, for all purposes, be treated as having been passed on the date on which it was in fact was passed and shall not be deemed to have been passed on any earlier date.

MINUTES OF PROCEEDINGS OF GENERAL MEETINGS AND OF BOARD AND OTHER MEETINGS

- 120 The Company shall cause minutes of the proceedings of every General Meetings and every resolution passed by postal ballot and of the proceedings of every meeting of its Board of Directors or of every committee of the Board, to be entered in the books to be kept as may be required by section 118 of the Act.

PRESUMPTION TO BE DRAWN MINUTES DULY DRAWN AND SIGNED

- 121 Where minutes of the proceedings of any General Meeting of the Company and every resolution passed by postal ballot or of any meeting of the Board of Directors or of a committee of the Board have been kept in accordance with the provisions of sections 118 of the Act then until the contrary is proved the meetings shall be deemed to have been duly called and held and all proceedings thereof to have duly taken place and in particular all appointments of Directors, Key Managerial Personnel, auditors or Company secretary in practice made at the meeting shall be deemed to be valid and the minutes shall be conclusive evidence of the proceedings record therein.

INSPECTION OF MINUTES BOOK OF GENERAL MEETINGS

- 122 (1) The books containing the minutes of the proceeding of any General Meeting of the Company or a resolution passed by postal ballot shall:-
- a) be kept at the registered office of the Company, and
- b) be open during the business hours for the inspection of any member without charge, during 11.00 A.M. to 1.00 P.M. on all working days other than Saturdays.

-
- (2) Any member shall be entitled to be furnished within seven working days after he has made a request in that behalf to the Company, with a copy of the Minutes referred to in clause (1) on payment of fees of rupees ten for each page or part of any page. Provided that a member who has made a request for provision of soft copy in respect of minutes of any previous general meeting held during the period immediately preceding three financial years shall be entitled to be furnished, with the same free of cost.

PUBLICATION OF REPORTS OF PROCEEDINGS OF GENERAL MEETINGS

- 123 No Document purporting to be a report of proceedings of any General Meetings shall be circulated or advertised at the expense of the Company unless it includes the matters required by section 118 of the Act to be contained in the minutes of the proceedings of such meetings.

MANAGERIAL PERSONNEL

- 124 The Company shall duly observe the provisions of section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

NUMBER OF DIRECTORS

- 125 The number of Director of the Company shall not be less than three and not more than fifteen.

CHANGE OF DIRECTOR'S NUMBER

- 126 Subject to the provisions of section 149 of the Act, the Company in General Meeting may, by ordinary resolution increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.

DEBENTURE DIRECTOR

- 128 Any trust for securing debentures or debentures stock may if so arranged provide for the appointment, from time to time by the Trustees thereof by the holders of debentures or debenture stocks of some person to be a Director of the Company and may empower such trustees or holders of debentures or debentures stock, from time to time to remove and reappoint any Director so appointed. The Director appointed under this Article (herein referred to as 'Debenture Director') means the Director for the time being in office under this article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or removed by the Company. The Trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all provisions shall have effect notwithstanding any of other provisions herein contained.

NOMINEE DIRECTOR

- 129 In case the Company enters into any agreement with the Central Government or State Government or Financial Institution or with any Institution for providing financial assistance by way of loan, subscription to Debentures, providing any guarantee or underwriting or subscription to Shares of the Company, subject to the provisions of Section 152 of the Act, such agreement may contain a clause that such Government or Financial Institution or Institutions shall have the right to appoint or nominate, by notice in writing addressed to the Company, one or more Directors on the Board of Directors of the Company, till the period of satisfaction of debt and upon such conditions as may be mentioned in the agreement and such Director/s shall be liable to retire by rotation however, would not be required to hold any qualification Shares.

ALTERNATE DIRECTOR

- 130 The provisions of Section 161 of the Act shall apply and the Board of Directors may appoint any Alternate Director under the circumstances and during the period and subject to the, conditions therein mentioned and the appointment made thereunder shall be subject to the provisions of that Section. In accordance with the provisions of the Act, the Board of Directors may appoint any individual, not being a person holding any alternate Directorship for any other Director in the Company to be an Alternate Director for any Director of the Company during his absence for a period of not less than three months from India.

Provided such appointee whilst he holds office as an alternate Director shall be entitled to notice of all the meetings of the Board, and to attend and vote thereat and on all resolutions proposed by circulation.

An alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director.

Provided that no person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.

APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

131 Subject to the provision of section 161 of the Act, if the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated

APPOINTMENT OF ADDITIONAL DIRECTORS

132 Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. 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.

QUALIFICATION OF DIRECTORS

133 A Director of the Company is not required to hold any qualification shares.

SAME INDIVIDUAL MAY BE CHAIRPERSON AND MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

134 The same individual may, at the same time, be appointed or re- appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

REMUNERATION OF DIRECTORS

135 Every Director shall be paid such amount of remuneration by way of sitting fees not exceeding such sum as may be prescribed by the Act or the Central Government from time to time as may be determined by the Board for each Meeting of the Board or Committee thereof attended by him.

TRAVELLING AND OTHER EXPENSES

136 The Directors may be paid reimbursement of travelling and other expenses for the purpose of participation in the Board or other Committee meetings or in connection with the business of the Company.

OTHER COMMITTEES

137 The Directors may from time to time appoint any member of their body constituting a Committee and pay a sum not exceeding such sum as may be prescribed by the Act or the Central Government from time to time as may determined by the Board for each Meeting of the Committee, in addition to reimbursement of expenses under Article 134.

REMUNERATION FOR EXTRA SERVICES

138 If any Director is appointed to advise the Board as an expert or be called upon to perform extra services to make special exertion for any of the purposes of the Company, the Board may subject to and in accordance with the provisions of the Act and in particular Sections 197 and 188 of the Act, pay to such Director/s such special remuneration as they may think fit which remuneration may be in the form of salary and / or commission and /or percentage of profits and may either be in addition to or in substitution of the remuneration specified in the Article 133.

FURTHER REMUNERATION

139 Subject to the provisions of Section 197 of the Act, the Directors of the Company may be paid remuneration by way of profit related commission at such percentage as they deem fit of the net profits of the Company computed in the manner referred to in Section 198 of the Act, to be shared and distributed amongst the Directors inter- se in such proportions or proportions as they deem fit.

DIRECTORS NOT TO ACT WHEN NUMBER FALLS BELOW MINIMUM

140 When the number of Directors in office falls below the minimum or above fixed, the Directors shall not except the emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company, act so long as the number is below the minimum and they may so act notwithstanding the absence of a necessary quorum.

DISQUALIFICATION

141 A person shall not be capable of being appointed as a Director if he has attracted disqualifications referred to in section 164 of the Act.

DIRECTORS VACATING OFFICE

142 The Office of a Director shall become vacate in such circumstances as provided in section 167 of the Act and shall be liable for penal action as specified in the said section.

REMOVAL OF DIRECTOR

143 The Company may by ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of section 242 of the Act) in accordance with the provisions of section 169 of the Act. A Director so removed shall not re- appointed as a Director by the Board of Directors.

DIRECTORS MAY CONTRACT WITH THE COMPANY

144 Subject to the restrictions imposed by these Articles and by sections 179, 180, 184, 185, 186 and 188 of the Act no Director, Managing Director or other officer or employee of the Company shall be disqualified by this office from contracting with the Company either as a vendor, purchaser, agent, broker or otherwise, nor shall be any such contractor or any contractor or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, officer of employees shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer of the employees so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director, Managing Director or officer of the employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with and in the case mentioned in section 184 of the Act where that section be applicable. In accordance with section 184 of the Act, no Director, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.

Provided that the above prohibition of restriction shall not apply to the extent or under the circumstances mentioned in sub- section (5) of section 184 of the Act.

DUTIES OF DIRECTORS

- 145 (1) Subject to the provisions of section 166 of the Act, a Director of the Company shall act in accordance with the articles of the Company.
- (2) A Director of the Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (3) A Director of the Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A Director of the Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (5) A Director of the Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (6) A Director of the Company shall not assign his office and any assignment so made shall be void.

CERTAIN POWERS TO BE EXERCISED BY BOARD ONLY AT MEETINGS

146 Subject to Section 179 of the Act, the Board may delegate all or any of its powers with respect to clause (d), (e) and (f) of Section 179(3) of the Act, to any Directors jointly or severally, or to any one Director or a Committee of Directors, or to any other principal officer of the Company.

RESTRICTIONS ON POWERS OF THE BOARD

147 The Board of Directors of the Company shall not, except with the consent of the Company by a special resolution exercise the power as mentioned in section 180 of the Act.

LOAN TO DIRECTORS

148 Subject to compliance with provisions of section 185 of the Act, the Company shall not directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its Director or any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person in contravention.

ROTATION OF DIRECTORS

149 All the Directors of the Company except Independent Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided the Act, be appointed by the Company in General Meeting. At every Annual General

Meeting of the Company, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election. The Company at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by appointing the retiring Director or some other person thereto. Independent Directors appointed under Section 149 of the Act shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

ASCERTAINMENT OF DIRECTORS RETIRING BY ROTATION AND FILLING UP VACANCIES

150 (a) If the place of the Retiring Director is not so filled up and the meeting has not expressly resolved not to fill vacancy, the meeting shall stand adjourned till the same in the next week, at the same time and place or if the day is a national holiday till the next succeeding day, which is not a holiday, at the same time and place.

(b) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also have not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re appointed at the adjourned at the adjourned meeting unless –

- (i) at the meeting or at the previous meeting a resolution for reappointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re- appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the Act; or
- (v) section 162 of the Act is applicable to the case.

Explanation: For the purposes of this section and section 160, the expression "retiring Director" means a Director retiring by rotation.

RIGHT OF PERSONS OTHER THAN RETIRING DIRECTORS TO STAND FOR DIRECTORSHIP

151 A person who is not a Retiring Director shall, in accordance with Section 160 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such members to propose him as a candidate for the office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such Member if the person succeeds in getting elected as Directors or gets more than 25% of total valid votes cast either as show of hands or on poll on such resolution.

PROCEEDINGS OF BOARD OF DIRECTORS

MEETINGS OF DIRECTORS

152 The Directors may meet together for the disposal of business, adjourn and otherwise regulate their meeting and proceedings as they think fit. The Board of Directors shall hold at least four meetings every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. The Members of the Board or any Committee of the Board may participate in any Board Meeting or Committee Meeting, by means of a audio- visual or video- conference facilities or any other modern communication equipment, by means of which all Persons participating in the meeting can hear each other at the same time and participation by such means, subject to the provisions of the Act, shall constitute presence in person at such meeting and hence shall also count for the purpose of quorum.

WHEN MEETING TO BE CONVENED

153 Any Director of the Company may at any time convene a meeting of the Directors.

DIRECTOR ENTITLED TO NOTICE	
154	Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and to his address registered with the Company.
QUESTIONS AT MEETINGS OF THE BOARD	
155	Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of an equality of votes, the chairman shall have a second or casting vote.
WHO TO PRESIDE MEETINGS OF THE BOARD	
156	All meetings of the Directors shall be presided over by the Chairman, if present but if at any meeting of Directors, the Chairman be not present but if at any meeting of Directors, the Chairman be not present at the time appointed for holding the same then and in that case, the Directors shall choose one of the Director then present, to preside at the meeting.
QUORUM OF THE BOARD MEETING	
157	(1) The quorum for a Board meeting shall be as provided in the Act.
QUORUM COMPETENT TO EXERCISE POWER	
	(2) A meeting of the Directors for the time being at which a quorum is present shall be competent to exercises all or any of the authorities, power and discretionally or under the regulations or Articles of the Company for the time being vested in or exercisable by the Directors generally.
PROCEDURE WHERE MEETING ADJOURNED FOR WANT OF QUORUM	
	(3) If a meeting of the Board could not be held for want of quorum then the meeting shall stand adjourned today, time and place as may be decided by the Directors present at the said Meeting.
DIRECTORS MAY APPOINT COMMITTEE	
158	Subject to Section 179 of the Act, the Directors may delegate all or any of their powers to Committee consisting of such member or members of their body as they think fit, and they may from time to time revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on its by the Directors, and subject thereto may regulate its own procedure.
CHAIRPERSON OF COMMITTEE	
159	(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
WHO TO PRESIDE AT MEETINGS OF COMMITTEE	
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
COMMITTEE TO MEET	
160	(1) A Committee may meet and adjourn as it thinks fit.
QUESTIONS AT COMMITTEE MEETING HOW DECIDED	
	(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
CASTING VOTE OF CHAIRPERSON AT COMMITTEE MEETING	
	(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
RESOLUTION BY CIRCULATION	
161	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECT OF APPOINTMENT	
162	All the acts done by any meeting of the Directors or by a committee of Directors, or by any person acting as a Director shall after words be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid or what they or any of them were disqualified or that their or his appointment had terminated by virtue of any provisions contained in these Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.
MINUTES OF PROCEEDINGS OF THE BOARD AND THE COMMITTEE TO BE VALID	
163	The Director shall cause minutes to be duly entered in a book provided for the purposes in accordance with these Articles and Section 118 of the Act.
REGISTER OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING	

164 (1) The Company shall keep at its registered office a register containing such particulars of its Directors, key managerial personnel and their Shareholding as may be prescribed under the Act and rules framed thereunder, which shall include the details of securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies.

MEMBERS' RIGHT TO INSPECT

(2) The Company shall comply with the provisions of sections 171 of the Act with regard to inspection thereof and furnishing copies or extracts so far as the same be applicable to the Company.

POWER OF DIRECTORS

GENERAL POWERS OF THE COMPANY VESTED IN DIRECTORS

165 Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise Authorized to exercised and do, and are not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Act and any other Act and of the memorandum of Association and these articles and to any regulations not being inconsistent with the Memorandum of association these articles or the Act from time to time made by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation has not been made.

RESTRICTIONS UNDER CERTAIN SECTIONS OF THE ACT TO APPLY

166 The restrictions contained in sections 179, 180, 182, 185, 186 and 188 shall be observed in regard to matters therein mentioned so far as the same applicable to the Company

167 Without prejudice to the general powers conferred by Article 163 and the other powers conferred by these presents and so as not in any way to limit any or all these powers, it is hereby expressly declared that subject as aforesaid, the Directors shall have the following powers:

- 1) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- 2) to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;
- 3) to acquire by purchase, lease or in exchange or otherwise lands, buildings, hereditaments, machinery rights, privileges or properties movable or immovable;
- 4) to erect, construct, enlarge, improve, alter, maintain, pull down, re build or reconstruct any buildings, factories, offices, workshops or other structure necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company.
- 5) to let, mortgage, charge, sell or otherwise dispose off subject to the provisions of sections 180 of the Act any property of the Company either absolutely or conditionally and in such or conditionally and in such manner and upon such arms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they think fit;
- 6) at their discretion to pay for any property rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, debentures stock or other securities in the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, debentures stock securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- 7) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, product and other movable property of the Company, either separately or co- jointly also to insure all or any portion of the goods, product, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- 8) subject to Section 179 of the Act, to open accounts with any Bank or Bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- 9) to secure the fulfillment of any contracts or engagements entered into or all or any mortgage or charge the Company and its unpaid capital for the time being or in such other manner as they may think fit.

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- 10) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof, as they think fit;
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- 11) to accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
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- 12) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;
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- 13) to determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents.
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- 14) subject to the provisions of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such shares, securities or investments (not being share in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments.
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- 15) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
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- 16) Subject to sanction as may be necessary under the Act or the Articles, to give to any Director, Officer or other person employed by the Company, an interest in any particular business or transaction interest in any particular business or transaction either by way of commission on the gross expenditure thereon or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company;
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- 17) to provide for the welfare of employees or ex- employees of the Company and the wives, widows and families of the dependents or connection of such persons by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pensions, allowances, gratuities, bonus or payment or by creating and from time to time subscribing or contributing to provident and other funds, institution, or trusts and by providing or subscribing or contributing towards places of instruction and or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national public, or any other useful institution objects or purposes of for any exhibition;
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- 18) to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donation, gratuities, pensions, allowances or emoluments to any person who are or were at any time in the employment or service of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated, with the Company or with any such subsidiary Company, or who are or were at any time Directors or Officer of the Company or of any such other Company as aforesaid and the wives, windows, families and dependents of any such persons, and also establish and subsidies and subscribe to any institutions, associations, dubs or funds calculated to be for the benefit of or to advance the interest and well being of the Company or of any such other Company as aforesaid and made payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid either alone or in conjunction with any such other Company as aforesaid;
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- 19) before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet Contingencies or to repay redeemable preference shares, debentures or debenture stocks or for special dividends or for equalizing dividends or for repairing, improving, extending and maintain any part of the property of the Company and for such other purposes as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums to set aside or so much thereof as required to be invested upon such investments (subject to restrictions imposed by Section 186 and other restrictions imposed by Section 179 and 180 and other provisions of the Act) as the Directors may think fit, and from time to time, to deal with and vary such reinvestment and dispose of and apply and expend all or any part for the benefit of the - Company in such manner and for such purposes as the Directors (subject to such restrictions as
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aforesaid) in their absolute discretion think standing that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund in the business of the Company or in repayment or redemption of redeemable preference shares, being bound to keep the same separate from other assets or to pay interest on the same with power, however, to the Directors at their discretion to pay or allow to the credit of such funds, rest at such rate as the Directors may think fit and proper;

20) to comply with the requirements of any local law which in their opinion, it shall be in the interests of the Company to comply with;

21) at any time and from time to time by power of attorney, to appoint any person or persons to be Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or of the Company for such purposes and with such powers, exercisable by the Directors under these presents) and for such period and subject to the such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) be made in favour of any Company or the members, Directors, nominees, or managers of any Company or firm or other- wise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors and any such power of Attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub delegate all or any of the powers, authorities and discretions for the time being vested in them;

22) subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub- delegation) any Director, Officer or Officers or employee for the time being of the Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper;

23) to enter into all such negotiations and contracts and rescind and vary all such contracts and to execute and to all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

MANAGING DIRECTORS

POWER TO APPOINT MANAGING DIRECTOR

168 Subject to the provisions of the Act:

(1) the Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company, for a fixed term not exceeding 5 (five) years and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places;

OFFICE OF THE MANAGING DIRECTOR WILL NOT BE SUBJECT TO RETIREMENT BY ROTATION

(2) Subject to the provisions of the Act, office of the Managing Director shall not, while he continues to hold that office be subject to retirement by rotation. However, he shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors and such retirement by rotation shall not be construed as break in terms of his appointment/re- appointment in fixing the number of Directors to retire but subject to the provisions of any contract between him and the Company and he shall be subject to the same provisions as the resignation and removal of the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause.

REMUNERATION OF MANAGING DIRECTOR

(3) Subject to the provisions of section 197 of the Act, the remuneration of a Managing Director shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the Company in General Meeting or so far as the Act may allow, by the Directors, and may be by way of fixed salary or commission on net profits of the Company computed in the manner referred to in Section 198 of the Act, or of any other Company in which the Company is interested or by participation in any such profits, or by any or all of those modes.

POWERS AND DUTIES OF MANAGING DIRECTOR

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- (4) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon Managing Directors for the time being such of the power exercisable under these presents by the Director as they may think fit and may confer such powers for such time and to be exercised for the objects and purposes and upon: such terms and conditions, and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any for the powers of the Directors, in that behalf, and may from time to time revoke, withdraw alter or vary all or any of such powers.

WHOLE TIME DIRECTOR(S)

- 169 (1) All the provisions of Article 160 shall also apply to Whole Time Directors(s), if appointed by the Board of Directors..

GENERAL MANAGEMENT IN THE HANDS OF THE MANAGING DIRECTOR

- (2) Subject to the provisions of the Act and these Articles, the general management of the business of the Company shall be in the hands of the Managing Directors of the Company, who shall have the following powers and authority on behalf of the Company, subject to the control and supervision of the Directors:
- (a) to purchase, take on lease or otherwise acquire for the Company any movable or immovable property, rights or privileges which the Company is authorized to acquire at such prices and generally on such term and conditions as he in his discretion deems fit;
 - (b) to purchase raw materials, stores, tools, machinery and other assets required for the normal working of the business of the Company at prices he may deem fit in the best interest of the Company and to delegate authority to effect such purchases;
 - (c) to sell any of the products of the Company and waste or rejects thereof at prices and conditions he may deem fit in best interest of the Company;
 - (d) to acquire by lease grant, assignment, transfer or otherwise, any grants or concessions of any land, works and premises from any person, firm, syndicate or corporation, Government or local body in India or elsewhere and to perform and fulfill Any conditions thereof;
 - (e) to let on lease or on hire, exchange or otherwise dispose of any property, movable or immovable of the Company at such price and on such terms and conditions as he may think fit; to execute, become party to, and where necessary cause to be registered all deeds, agreements, contracts, receipts and other documents on behalf of the Company;
 - (f) to insure all the property of the Company for such purposes and to such extent as he may think proper;
 - (g) to appoint and at his discretion to remove or suspend agents, managers, secretaries, officers, clerks, agents, technicians, electricians, engineers, workmen and other servants for temporary, permanent or 'special services as he may from time to time think fit and to determine their powers and duties, fix their salaries or emoluments and to acquire such securities in such instances and of such amounts as he may think fit;
 - (h) to institute, conduct, defend, compromise, refer to arbitration or abandon any legal or other proceedings and claims by or against the Company or any Director or other Officers of the Company or otherwise concerning the affairs of the Company;
 - (i) to compound and allow time for the payment or satisfaction of any debts due to or by the Company and any claims or demands by or against the Company as may be necessary or proper in the best interest of the Company;
 - (j) to act on behalf of the Company in all matters relating to bankruptcy and insolvency;
 - (k) to make and give receipts, releases and other discharges for all monies payable to the Company and for the claims and demands of the Company;
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- (l) to sign cheques and operate on the banking accounts of the Company and to draw, make, accept, endorse, negotiate and sell, bills of exchange, hundies, promissory notes and other negotiable instruments with or without security and to delegate powers in these matters to an executive subordinate to him for routine administration subject to such terms limits and conditions as he may deem fit;
- (m) to obtain loans and advances against plant, machinery of the Company subject to provisions of Section 179 of the Act;
- (n) from time to time to make, vary and repeat by- laws for the regulation of the business of the Company, its Officers and servants;
- (o) to sub- delegate all or any of the powers, authorities and discretions for the time being vested in him and in particular from time to time provide by the appointment of any attorney for the management and transaction of the affairs of the Company in any specified locality in such manner as he may think fit;
- (p) to apply to Central or any State Government or to a municipal authority or to any local authority, electricity board or to any corporation or Reserve Bank of India for any license permit quota relief, subsidy assistance, benefit, power authorize foreign exchange aid grant, scarce or canalized materials exports or any other contingency or requirement as may be necessary for bringing about normal working and functioning of the Company
- (q) to enter into all such negotiations and contracts and rescind or vary, all such contracts and execute and to do all acts, deeds and things, in the name and on behalf of the Company, as he may consider necessary, expedient or proper for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company and specifically to fix prices of the products and materials sold or to be sold by the Company and approve the prices for goods and services purchased by the Company.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

- 170 (a) Subject to the provisions of the Act, A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

- 171 (1) The Board shall provide for the safe custody of the seal.
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

DIVIDENDS

DIVISION OF PROFITS

- 172 The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum and these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid up on the shares held by them respectively.

DIVIDEND PAYABLE TO REGISTERED HOLDER

- 173 No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

CAPITAL PAID UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND OR PARTICIPATE IN PROFITS	
174	Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to participate in profits or to dividend.
DIVIDENDS IN PROPORTION TO AMOUNT PAID UP	
175	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.
COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS	
176	The Company in General Meeting may declare a dividend to be paid, to the members according to their respective rights and interest in the profits and may fix the time for payment.
POWER OF DIRECTOR TO LIMIT DIVIDENDS	
177	No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.
DIVIDENDS TO BE PAID OUT OF PROFITS	
178	Subject to the provisions of Section 123 of the Companies Act, no dividend shall be declared and paid for any financial year except out of profits of the Company or out of the moneys provided by the Central Government or State Government for payment of dividend in pursuance of any guarantee given by Government.
DIRECTORS DECLARATION AS TO NET PROFIT CONCLUSIVE	
179	The declaration of the Directors as to the amount of the net profit of the Company shall be conclusive.
INTERIM DIVIDENDS	
180	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
NO MEMBER TO RECEIVE DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE FROM	
181	Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any member, all sums of money so due from or to the Company.
TRANSFERRED SHARES MUST BE REGISTERED	
182	A transfer of shares shall not pass the right to any dividend declared before the registration of the transfer.
DIVIDENDS HOW REMITTED	
183	Unless otherwise specified, any dividend may be paid by the cheque or warrant sent through the post to the registered address of the member or person or in any electronic mode entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
DIVIDEND AND CALL TOGETHER	
184 (1)	Any General Meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the members, be set off against the calls.
SET OFF ALLOWED	
185 (2)	The making of a call shall be deemed ordinary business of an Ordinary General Meeting which declares a dividend.
RETENTION OF DIVIDENDS	
186	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

RECEIPT OF ONE HOLDER SUFFICIENT

187 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.

NO INTEREST ON DIVIDENDS

188 No dividend shall bear interest against the Company.

CAPITALISATION OF PROFITS

189 (1) The Company by ordinary resolution 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 (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid- up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub- clause (A) and partly in that specified in sub- clause (B).

(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

POWERS OF THE BOARD FOR CAPITALISATION

190 (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –

(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(b) generally do all acts and things required to give effect thereto.

ACCOUNTS

191 (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

PROPER BOOKS OF ACCOUNTS TO BE KEPT

192 (1) The Company shall, at the expense of the Company, cause proper books of accounts to be kept with respect to:

(a) all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place;

(b) all sales and purchase of goods by the Company;

(c) the assets and liabilities of the Company; and

(d) the items of cost as prescribed under section 148 of the Act

PLACE OF KEEPING BOOKS OF ACCOUNTS

(2) The books of accounts shall be kept at the Registered Office of the Company or such other place or places in India as the Directors think fit and shall be open to inspection by the Director(s) during business hours.

INSPECTION BY MEMBERS, OF ACCOUNTS AND BOOKS OF THE COMPANY

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- (3) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

STATEMENT OF ACCOUNTS AND REPORT TO BE FURNISHED TO GENERAL MEETING

- 193 (1) Once at least in every calendar year, the Directors shall lay before the Company at Annual General Meeting held in pursuance of Section 96 of the Act.

- (a) Balance- Sheet as at the end of the period specified in Section 129 of the Act; and
- (b) The Profit and Loss Account for the period.

The Profit and Loss Account shall relate to the period referred to in Section 129 of the Act.

AUDIT

ACCOUNTS TO BE AUDITED

- 194 The Accounts of the Company shall be audited by the auditors appointed as per the provisions of the Act. Subject to the provisions of the Act, the accounts when audited and approved at the Annual General Meeting shall be conclusive.

INSPECTION

- 195 Where under any provisions of the Act or any agreement with the Company, any person, whether a Member of the Company or not is entitled to inspect any document, return, certificate, deed, instrument or required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays unless otherwise determined by the Company in General Meeting.

NOTICE

SERVICE OF DOCUMENTS

- 196 Document shall be served as per provisions of section 20 of the Act and Rules framed thereunder.

PERSONS ENTITLED TO NOTICE OF GENERAL MEETING

- 197 Subject to provisions of the Act, Notice of every General Meeting shall be given to:
- (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the Company; and
- (c) every Director of the Company.

NOTICE BY COMPANY AND SIGNATURE THERETO

- 198 Any Notice given by the Company shall be signed by a Director, the Managing Director or by such Officer as the Directors may appoint and the signatures thereto may be written, printed or lithographed.

AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

- 199 Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the manager, the Company Secretary or other authorized Officer of the Company and need not be under its Common Seal.

WINDING UP

- 200 Subject to the applicable provisions of the Act and the Rules made thereunder-
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
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- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

SECRECY CLAUSE

SECURITY CLAUSE, SECRECY CLAUSE

- 201 Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company without the permission of the Directors, or to require discovery or any information respecting any detail of the Company's business or trading, or any other matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors will be inexpedient in the interest of the members of the Company to communicate to the public.

INDEMNITY AND INSURANCE

- 202 (a) Subject to the provisions of the Act, every director, managing director, whole- time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

GENERAL AUTHORITY

- 203 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
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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 entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 A.M. to 5:00 P.M. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection

1. Issue agreement dated September 26, 2018 between our Company and Saffron Capital Advisors Private Limited.
2. Memorandum of Understanding/ Registrar Agreement dated April 18, 2018 between our Company and Bigshare Services Private Limited.
3. Tripartite Agreement dated June 2, 2017 between our Company, the Registrar to the Issue and NSDL.
4. Tripartite Agreement dated May 25, 2017 between our Company, the Registrar to the Issue and CDSL.

B. Material documents for inspection

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated March 11, 2016 of our Company issued by RoC.
3. Scheme of Arrangement between Omkar Speciality Chemicals Limited, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited, Desh Chemicals Limited and our Company and all respective shareholders, as sanctioned by the Hon'ble National Company Law Tribunal vide Order dated April 13, 2017.
4. Deed of Disassociation dated July 22, 2017 executed between Pravin Herlekar, Omkar Herlekar, Rishikesh Herlekar, Anita Herlekar and Svaks Biotech India Private Limited.
5. Resolution of our Board dated January 6, 2018 in relation to this Issue and other related matters.
6. Resolution of our Board dated November 5, 2018 approving the Draft Letter of Offer.
7. Copy of a resolution passed by our Board dated [●] finalizing the Issue Price, Record Date and the Rights Entitlement Ratio.
8. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company* and Banker to the Issue** to include their names in this Draft Letter of Offer and to act in their respective capacities.
**As on the date of this Draft Letter of Offer, the Company has not received the consent from the Bankers to the Company. For further details, see "Risk Factors" on page 16 of this Draft Letter of Offer.*
***Will be included at the time of filing of the Letter of Offer.*
9. Statement of tax benefits dated October 9, 2018, issued by M/s. Thanawala & Company, Chartered Accountants, as set out in this Draft Letter of Offer.


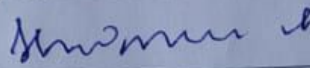
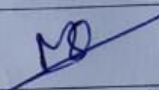
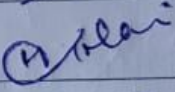
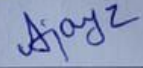
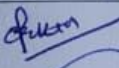
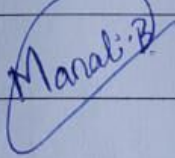
10. The Report of the Auditor being, M/s. Thanawala & Company, Chartered Accountants, as set out herein dated October 8, 2018 in relation to the restated audited Financial Information of our Company as appearing on page 163 of this Draft Letter of Offer.
11. Annual Reports of our Company for the Fiscals 2016, 2017, 2018 and Audited financials of period ended June 30, 2018.
12. Due Diligence certificate dated November 5, 2018 from Saffron Capital Advisors Private Limited.
13. In-principle listing approval dated [●] from BSE.
14. In-principle listing approval dated [●] from NSE.
15. SEBI observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

No statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SCRA or the SEBI Act and the rules made thereunder. All the legal requirements connected with the Issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with. We further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Directors of our Company

Name	Signature
Omkar Herlekar Chairman and Managing Director	
Shivanand Hegde Whole-time Director	
Mithun Jadhav Whole-time Director	
Hardesh Tolani Independent Director	
Ajay Sukhwani Independent Director	
Ekta Gurnasinghani Independent Director	
Manali Bhagtani Independent Director	

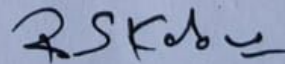
Signed by the Company Secretary & Compliance Officer

Nidhi Kulshrestha



Signed by the Chief Financial Officer

Ravi Shankar Kabra



Date: 05/11/2018

Place: Mumbai