



DENIS CHEM LAB LIMITED

Our Company was originally incorporated as 'Denis Chem Lab Private Limited', a private limited company under the Companies Act, 1956 pursuant to the grant of Certificate of Incorporation dated July 15, 1980 by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a public limited company and a Fresh Certificate of Incorporation consequent upon Change of Name was granted in the name of 'Denis Chem Lab Limited' by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli on April 29, 1982.

Registered Office: Block Number 457, Village: Chhatral, Taluka: Kalol (N. G.) - 382729, District: Gandhinagar, Gujarat, India.

Telephone: +91 2764 233596 / 233613 **Facsimile:** +91 2764 233896 **Email:** cs.denischem@gmail.com

Corporate Office: 401, Abhishree Complex, Abhishree (Shops & Offices) Co-operative Housing Society, Opposite Om Tower, Satellite Road, Ahmedabad - 380015, Gujarat, India

Telephone: +91 79 26925716 / 26925719 **Facsimile:** +91 79 26925710

Contact Person: Ms. Khushbu H. Shah, Company Secretary & Compliance Officer

Email: cs.denischem@gmail.com; **Website:** www.denischemlab.com

Corporate Identity Number: L24230GJ1980PLC003843

PROMOTERS OF OUR COMPANY: DR. HIMANSHU C. PATEL, MS. ANAR H. PATEL AND MR. NIRMAL H. PATEL

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF DENIS CHEM LAB LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF 21,34,872 EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 84 EACH INCLUDING A SHARE PREMIUM OF ₹ 74 PER RIGHTS EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO AN AMOUNT UPTO ₹ 1,793.29 LAKH ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 (TWO) RIGHTS EQUITY SHARES FOR EVERY 11 (ELEVEN) FULLY PAID UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON SEPTEMBER 9, 2017 ("ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 8.4 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 120 OF THIS LETTER OF OFFER.

GENERAL RISKS

Investment 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 this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. **Investors are advised to refer to the section titled "Risk Factors" beginning on page 14 of this 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 Letter of Offer contains all information with regards to our Company and this Issue, which is material in the context of the Issue, that the information contained in this 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 Letter of Offer as a whole or any of 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 Ahmedabad Stock Exchange Limited ("ASE"), (together the "Stock Exchanges"). Our Company has received an in-principle approval from BSE and ASE for listing of the Equity Shares to be allotted in this Issue pursuant to letters dated June 30, 2017 and July 3, 2017 respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

LEAD MANAGER TO THE ISSUE



Vivro Financial Services Private Limited
Vivro House, 11, Shashi Colony, Opposite Suvridha Shopping Center, Paldi, Ahmedabad - 380007, Gujarat, India.
Telephone: +91 79 40404242; **Facsimile:** +91 79 26650570
Email: denis@vivro.net
Website: www.vivro.net
Investor Grievance Email: investors@vivro.net
Contact Person: Mr. Anish Akruwala / Ms. Mili Khamar
SEBI Registration Number: INM000010122
CIN: U67120GJ1996PTC029182

REGISTRAR TO THE ISSUE



Link Intime India Private Limited
C 101, 1st Floor, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.
Telephone: +91 22 49186200; **Facsimile:** +91 22 49186195
Email: denischem.rights@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance Email: denischem.rights@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR SPLIT APPLICATION FORMS	ISSUE CLOSING ON
THURSDAY, SEPTEMBER 28, 2017	THURSDAY, OCTOBER 5, 2017	THURSDAY, OCTOBER 12, 2017

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

In this Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Conventional and General Terms or Abbreviations

Term	Description
“₹” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
ACCT	Assistant Commissioner, Commercial Tax
AGM	Annual General Meeting
Air Act, 1981 / Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standard	Accounting Standards issued by the Institute of Chartered Accountants of India
ASE	Ahmedabad Stock Exchange Limited
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CIN	Corporate Identity Number
CIT(A)	Commissioner of Income Tax (Appeals)
Companies Act	Companies Act, 1956 or the 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
CST	Central Sales Tax
CTS	Cheque Truncation System
Depositories Act	Depositories Act, 1996 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s Identity
Drugs Act	Drugs and Cosmetics Act, 1940
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General meeting
Environment Act, 1986 / EPA	The Environment (Protection) Act, 1986
EPS	Earnings per Share
ESIC	Employee State Insurance Corporation
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FII(s)	Foreign Institutional Investors, as defined under Regulation 2(1)(g) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India.
Fiscal / Fiscal Year / Financial Year / FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year
GST	Goods and Services Tax

Term	Description
Government / GoI	Government of India
HUF	Hindu Undivided Family
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
I.T. Act / IT Act	Income Tax Act, 1961
ICAI	Institute of Chartered Accountants of India
ICDR Regulations / SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles followed in India
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository.
Lakh	One hundred thousand
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations and the erstwhile equity listing agreement entered into between our Company and the Stock Exchanges, as the context may refer to
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of Understanding
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NEFT	National Electronic Fund Transfer.
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	The National Stock Exchange of India Limited
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.
p.a.	Per Annum
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
Sales Tax	Central Sales Tax
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Listing Regulations / Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Regulations	ICDR Regulations, SEBI (Merchant Bankers) Regulations, 1992 and any and all

Term	Description
	other relevant rules, regulations, guidelines, which SEBI may issue from time to time.
SEBI Takeover Regulations / SAST Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act / US Securities Act	The United States Securities Act of 1933, as amended
Trade Marks Act	Trade Marks Act, 1999
Shops Act	Gujarat Shops and Establishments Act, 1948
U.S. /US /United States	The United States of America
USD / US\$	United States Dollars
VAT	Value Added Tax
Water Act, 1974 / Water Act	The Water (Prevention and Control of Pollution) Act, 1974

Issue Related Terms

Term	Description
Abridged Letter of Offer	The Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to this Issue in accordance with the SEBI ICDR Regulations.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted / Allotment of Equity Shares	The allotment of Rights 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 Rights 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)	Person(s) to whom Rights Equity Shares of our Company are Allotted pursuant to the Issue
Applicants / Investors	Eligible Equity Shareholder(s) and / or Renouncees who make an application for the Rights Equity Shares in terms of this Letter of Offer, including an ASBA Applicant
Application Money	Aggregate amount payable in respect of the Rights Equity Shares 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 and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Applicant(s) / ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and: 1. Who are holding the Equity Shares of our Company in dematerialised form as on the Record Date and have applied towards their Rights Entitlements and / or Additional Rights Equity Shares in dematerialised form; 2. Who have not renounced their Rights Entitlements in full or in part; 3. Who are not Renouncees; and 4. Who are applying through blocking of funds in bank accounts maintained with SCSBs. All (i) QIBs, (ii) Non-Institutional Investors, and (iii) other Investors whose application value exceeds ₹ 200,000, can participate in the Issue only through an ASBA process
Bankers to the Company	Axis Bank Limited and Bank of India

Term	Description
Banker to the Issue / Escrow Collection Banks	Axis Bank Limited
Composite Application Form / CAF	The application form used by an Investor to make an application for the Allotment of Rights 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 Rights 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?doRecognisedFpi=yes&intmId=34
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?doRecognisedFpi=yes&intmId=34
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 1996, as amended from time to time
Draft Letter of Offer / DLOF	The Draft Letter of Offer dated June 9, 2017, filed with SEBI
ECS	Electronic Clearing Service
Eligible Shareholders / Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date
GIR	General Index Registrar
Issue / Rights Issue	Issue of 21,34,872 Equity Shares with a face value of ₹ 10 each for cash at a price of ₹ 84 (including a share premium of ₹ 74 per Equity Share) aggregating to an amount upto ₹ 1,793.29 Lakh on a rights basis to Eligible Equity Shareholders in the ratio of 2 Rights Equity Share for every 11 fully paid-up Equity Shares held on the Record Date i.e. September 9, 2017
Issue Closing Date	October 12, 2017
Issue Opening Date	September 28, 2017
Issue Price	₹ 84 per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of 21,34,872 Rights Equity Shares for an amount upto ₹ 1,793.29 Lakh
Lead Manager	Vivro Financial Services Private Limited
Letter of Offer / LOF	This letter of offer dated September 19, 2017 after incorporating observations received from SEBI on the Draft Letter of Offer.
MICR	Magnetic Ink Character Recognition
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 50 of this 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)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the 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.

Term	Description
	September 9, 2017.
Refund Bank	Axis Bank Limited
Refund through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014
Registrar to the Issue / Registrar and Transfer Agent / RTA	Link Intime (India) Private Limited
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to ₹ 2 Lakh.
Rights Entitlements	The number of Rights 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 / Rights Shares	The Equity Shares with a face value of ₹ 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Self-Certified Syndicate Bank / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 .
Split Application Form / SAF	Split application form(s) 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 Rights Equity Shares allotted to a folio in a physical form
Stock Exchanges	BSE and ASE, where the Equity Shares of our Company are presently listed
Wilful Defaulter	Company or person 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 Reserve Bank of India and includes any company whose director or promoter is categorised as such
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Securities on the Stock Exchange, "Working Days" shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

Company Related Terms

Terms	Description
"Denis Chem Lab Limited" or "the Company" or "our Company" or "the Issuer" or "DCLL" or "We" or "Us"	Denis Chem Lab Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Block Number 457, Village: Chhatral, Taluka: Kalol (N. G.) - 382729, District: Gandhinagar, Gujarat, India
Articles / Articles of Association / AoA	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditor	The Statutory Auditors of our Company being M/s. Shah & Shah Associates, Chartered Accountants.

Terms	Description
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.
CFO	Chief Financial Officer of our Company
Corporate Office	401, Abhishree Complex, Abhishree (Shops & Offices) Co-operative Housing Society, Opposite Om Tower, Satellite Road, Ahmedabad – 380015, Gujarat, India
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares with a face value ₹ 10 each of our Company.
Equity Warrants	27,00,000 Equity Warrants issued by Company on preferential basis pursuant to special resolution dated December 12, 2015 to persons other than Promoters, Directors and KMPs of the Company,
Group Companies / Group Entities	This includes such companies or entities as covered under the applicable accounting standards and also other companies as considered material by the board of our Company in terms of Materiality Policy adopted by our Board on May 26, 2017.
Internal Auditors	M/s. Sompura & Associates, Chartered Accountant
Key Managerial Personnel / KMP	Dr. Himanshu C. Patel, Managing Director, Mr. Nirmal H. Patel, Chief Executive Officer, Mr. Vikram Joshi, Chief Financial Officer, Ms. Khushbu H. Shah, Company Secretary and Compliance Officer, Mr. Ajay Yogi, Manager – Finance and Mr. P. N. Pandey, Plant Head collectively referred as Key Managerial Personnel of our Company.
Memorandum of Association / MoA	The Memorandum of Association of our Company, as amended from time to time.
Promoters	Promoters of our Company are Dr. Himanshu C. Patel, Ms. Anar H. Patel and Mr. Nirmal H. Patel.
Promoter Group	Persons and entities forming part of our promoter group as determined in terms of the Regulation 2(1)(zb) of the ICDR Regulations and the persons and entities as disclosed to BSE under Regulation 31 filings made by our Company under the Listing Regulations.
Registered Office	Registered office of our Company is situated at Block Number 457, Village: Chhatral, Taluka: Kalol (N. G.), District: Gandhinagar - 382729, Gujarat, India.
Registrar of Companies / ROC	Registrar of Companies, Gujarat, Dadra & Nagar Haveli

Business and Industry related Terms / Abbreviations

Term	Description
BFS	Blow Fill Seal
cGMP	Current Good Manufacturing Practices
DG Set	Diesel Generator Set
EMEA	European Medicines Agency
Eurohead bottle	Closure system for bottles which includes outer cap, rubber stopper and inner cap.
FDCA	Food and Drugs Control Administration
FFS	Form Fill Seal
ISBM	Injection Stretch Blow Moulding
IVF	Intra Venous Fluids
LVP	Large Volume Parenteral
ML	Milliliter
RCC	Roller-Compacted Concrete
WFI	Water for Injection
WHO	World Health Organization

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

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Letter of Offer, Abridged Letter of Offer and CAFs and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer/Abridged Letter of Offer and CAFs to such shareholders 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 this Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer/Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI. Accordingly, the Rights Entitlement or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, Abridged Letter of Offer and CAFs must be treated as sent for information only and should not be copied, redistributed or acted upon. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer and CAFs should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer and CAFs is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in the Letter of Offer, Abridged Letter of Offer and CAFs. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat any CAF as invalid 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 Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of this Letter of Offer, Abridged Letter of Offer and CAFs 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 the date of this Letter of Offer or date of such information.

The contents of this Letter of Offer and Abridged 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 Rights Equity Shares. 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. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("**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 ("**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**")), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer and Abridged Letter of Offer relates is not, and under no

circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer / Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. Envelopes containing 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 under this Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this issue of Equity Shares on a rights basis to the Eligible Equity Shareholders of our Company and this Letter of Offer, Abridged Letter of Offer and CAF will be dispatched to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlement and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that, at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it does not have a registered address (and is not otherwise located) in the United States, and (iii) it is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does 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 the United States and is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references herein to ‘India’ are to the Republic of India and its territories and possessions and the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data

Unless stated otherwise, the financial information and data in this Letter of Offer is derived from Audited Financial Statements for the Financial Year ended March 31, 2017. For further details please see the chapter titled “*Financial Statements*” beginning on page 70 of this Letter of Offer. We publish our financial statements in Indian Rupees.

Our Company’s fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular “Financial Year” or “Fiscal Year” or “Fiscal” are to the 12 (twelve) month period ended March 31 of that year.

Our Company prepares financial statements in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the Companies Act and other statutory and/or regulatory requirements. Indian GAAP differs significantly in certain respects from Ind AS, IFRS and US GAAP. Neither the information set forth in our financial statements nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or any accounting principles other than principles specified in the Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, providing revised roadmap on implementation of Ind-AS, which stipulates implementation of Ind-AS in a phased manner beginning from accounting period 2016 – 2017. As per the above mentioned notification, companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than ₹ 50,000 Lakh, shall comply with Ind AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017. Accordingly, our Company would mandatorily be required to comply with Ind AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017.

Our historical audited financial statements are prepared in accordance with the Companies Act and Indian GAAP. Given that Ind-AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind-AS relating to any period subsequent to April 1, 2017, may not be comparable to our historical financial statements prepared under Indian GAAP. As of the date of this Letter of Offer, we have not prepared or presented any financial statements for our Company in accordance with Ind-AS, and are in the process of evaluating the difference in accounting policies and practices under Ind-AS and Indian GAAP that may be reasonably expected to impact the preparation and presentation of our future financial statements, and, to the extent applicable, our historical financial statements, in accordance with Ind-AS. The preparation of our financial statements in accordance with Ind-AS may require our management to make judgments, estimates and assumptions. Based upon management’s evaluation of the relevant facts and circumstances as on the date of the relevant financial statements, and such estimates and underlying assumptions may be reviewed in the future on an on-going basis.

Indian GAAP differs in certain respects from generally accepted accounting principles in other countries as well as from IFRS. We publish our financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details in connection with risks involving differences between Indian GAAP and other accounting principles and risks in relation to IFRS, please see “Risk Factors - 54 - “Significant differences exist between the accounting principles of existing / erstwhile Indian GAAP as compared to Ind AS and IFRS, which investors may consider material to their assessment of our Company’s financial condition”, on page 29 of this Letter of Offer.

Currency of Presentation

All references to “Rs.” or “₹” or “INR” or “Rupees” refer to Indian Rupees, the lawful currency of the Republic of India. Any reference to “USD” or “US\$” or “\$” refers to the United States Dollar, the lawful currency of the United States of America. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed as ₹ in Lakh.

Exchange Rate

The following tables provide information with respect to the exchange rate for the Indian rupee per USD. 1.00. The exchange rates are based on the reference rates released by the RBI, which is available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ Per USD 1.00)				
Financial Year ended March 31,	Period End ⁽¹⁾	Average ⁽²⁾	High	Low
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
2014	60.10	60.50	68.36	53.74
2013	54.39	54.45	57.22	50.56
2012	51.16	47.95	54.24	53.95
Month Ended:				
August 31, 2017	64.02	63.97	64.24	63.63
July 31, 2017	64.08	64.46	64.82	64.08
June 30, 2017	64.74	64.44	64.74	64.26
May 31, 2017	64.55	64.42	64.99	64.02
April 30, 2017	64.22	64.51	65.04	64.00
March 31, 2017	64.84	65.88	66.85	64.84

Source: www.rbi.org.in

⁽¹⁾ Represents the reference rate released by the RBI on closing of the last working day of the period.

⁽²⁾ Represents the average of the reference rates released by the RBI on closing of each day during the period for each year and month presented.

The reference rate on September 18, 2017 was USD 1.00 = ₹ 64.18.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement business plans including those for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- General economic and business conditions in the markets in which we operate;
- Changes in laws and regulations relating to the industry in which we operate;
- Increased competition in pharmaceutical industry;
- Changes in technology;
- Changes in political and social conditions in India or in other countries that may adversely affect us (directly or indirectly), the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Any adverse outcome in the legal proceedings in which we are involved;
- The performance of the financial markets in India and globally.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “*Risk Factors*” beginning on page 14 of this Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI / Stock Exchange requirements, our Company and Lead Manager will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchanges.

SECTION II- RISK FACTORS

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risk set out in this Letter of Offer may not be exhaustive and additional risk and uncertainties not presently known to us, or which may arise or may become material in the future. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to regulatory environment that may differ significantly from one jurisdiction to another. In making an investment decision, prospective investors must rely on their own examinations of our Company the terms of this Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in this Issue.

For further details, see section titled “Financial Information” beginning on page 70 of this Letter of Offer, as well as the other financial and statistical information contained in this Letter of Offer.

This Letter of Offer also contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. For further details, see chapter titled “Forward-Looking Statements” beginning on page 13 of this Letter of Offer.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Financial Statements

MATERIALITY

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

1. Some events may not be material individually but may be found material collectively.
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risks may not be material at the time of making the disclosures in this Letter of Offer but may have a material impact in the future.

INTERNAL RISK FACTORS

1. ***Our Company is involved in various legal proceedings, which if determined against us, could have an adverse impact on our business operations.***

Our Company is involved in various legal proceedings which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and other parties. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our business and the result of our business operations. A summary of material outstanding legal proceedings as of date of this Letter of Offer, to the extent quantifiable, is set out below:

Nature of Cases	No. of cases/disputes	Amount involved where quantifiable (₹ in Lakh)
<i>Litigation against our Company</i>		
Criminal Cases	3	Not Quantifiable
<i>Revenue Proceedings (Direct Tax) filed against our Company</i>		
Appeals preferred by our Company	1	35.98
<i>Revenue Proceedings (Indirect Tax) filed against our Company</i>		
Appeals preferred by our Company	4	101.16
Total	8	-
<i>Litigation by our Company</i>		
Civil Cases	2	Not Quantifiable
Total	2	-

For further details, please see chapter titled “*Outstanding Litigations and Other Defaults*” beginning on page 106 of this Letter of Offer. Such legal proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. We cannot assure you that these legal proceedings will be decided in our favor. Any adverse order or direction in these matters could have a material adverse impact on our business, results of operations and financial conditions.

2. *There are Criminal Proceedings initiated against our Company and our Directors. Any unfavourable decision in such proceedings may adversely affect our business, results of operations, financial condition and market reputation.*

The FDCA, Gandhinagar has filed a Criminal Complaint (2548 of 2006) before the Judicial Magistrate, Kalol, Gandhinagar under the Drugs Act against our Company and our Directors pursuant to the Inspector of FDCA, Gandhinagar having found fungus in few bottles of 2 (two) batches of Denilyte M Injection lying in the factory premises. The matter is currently pending before the Judicial Magistrate, Kalol, Gandhinagar.

Separately, the Senior Inspector of Drugs, Directorate of Drugs Control, representing the Government of West Bengal has filed a complaint (73/2013) under Section 32 of the Drugs Act, with the learned Court of Chief Judicial Magistrate, Alipore against our Company, our Director and certain other persons, identified specifically therein. The Senior Inspector of Drugs on March 1, 2013 seized from a retail drug store, 22 bottles of Dextrose Injection I.P 25% w/v (100 ml), which had been manufactured by our Company, allegedly on the ground of adulteration due to the presence of fungal growth and presence of other particulate matter in the said bottles, under Section 17-A of the Drugs Act. The matter is currently pending before the Court of Chief Judicial Magistrate, Alipore, West Bengal.

Moreover, in a separate matter, Inspector of Drugs, Burdwan District Drugs Control Office filed a complaint before the Chief Judicial Magistrate, Burdwan under Section 25(4) of the Drugs Act for violation under Section 18(a) (1) of the Drugs Act. In this regard, the Chief Judicial Magistrate, Burdwan passed an order dated May 24, 2017 (“**Order**”) directing our Company to produce the drug sample before the Chief Judicial Magistrate, Burdwan. Aggrieved by the Order, our Company filed a revision application (76/2017) before the Hon’ble Court of the Sessions Judge, Burdwan under Section 397/399 of the Code of Criminal Procedure, 1973. The matter is currently pending before the Hon’ble Court of the Sessions Judge, Burdwan.

Any adverse order or direction in the above matters could result in imposition of fine/imprisonment and have a material adverse impact on our business, results of operations, financial conditions and reputation. For further details with regard to these matters, please refer the chapter titled “*Outstanding Litigations and Other Defaults*” beginning on page 106 of this Letter of Offer.

3. *The Secretarial Audit Report for FY 2015-16 contains observations which may result in a statutory action to be initiated against our Company.*

The Secretarial Audit Report for FY 2015-16 contains observations that our Company is not regular in depositing the statutory dues and other taxes and the fact that our Company has failed to file “Form 5 – INV”, which has to be

mandatorily filed within a period of 90 (ninety) days of the Annual General Meeting, held on September 23, 2015. These observations may lead to a statutory action to be initiated against our Company or lead to levy of monetary penalty.

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

Pursuant to the applicable notifications and circulars issued by the DGFT, we are required to comply with bar coding requirements for primary, secondary and tertiary level packaging of finished pharmaceutical products for export, provided, the importing country does not have a specified bar coding requirement under the relevant regulations in that jurisdiction. These bar coding requirements are required to be adhered to additionally, over and above the standard labeling requirements under the Drugs Act and rules thereto and could result in increased costs to our Company. Any non-compliance with the bar coding requirements as stipulated by the DGFT, could result in counterfeiting or piracy of our pharmaceutical products, thereby affecting our goodwill. We cannot assure you that we will be able to comply with the bar coding requirements stipulated by the DGFT, from time to time, within the prescribed time, or at all, failing which our business, prospects, results of operations and financial condition could be adversely affected.

5. ***Our business is dependent on approvals from both Indian and foreign governmental authorities and health regulatory bodies. We may be unable to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate the business.***

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in many jurisdictions. We own and operate manufacturing facilities in India which need to comply with extensive regulations including compliance with environmental laws, cGMP stipulated by the WHO, the Central Drugs Standard Control Organization of India and other regulatory agencies.

We require product registrations, marketing authorisations and other approvals granted by Indian and various foreign governmental authorities and health regulatory bodies. Regulatory authorities in many of our markets must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India. The cost of acquiring such authorisations and approvals is substantial. Governmental authorities in various countries regulate research, development, manufacture, and testing to ensure the safety of pharmaceutical products. The regulations applicable to our existing and future products may change. There can be long delays in obtaining required clearances from regulatory authorities in any country after applications are filed. Our products, as well as the facility where we manufacture them, require extensive testing, government reviews and approvals before they can be marketed. Whether or not a product is approved in India, regulatory authorities in many of the markets to which we export products must approve that product before we can begin to market it in those countries. The time required to obtain such approvals may be longer than we anticipate. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. Any failure or delay in obtaining regulatory approvals, or any implementation of new standards or conditions that have to be met in order to obtain such approvals, could impact the marketing of our products and, in turn, affect our business, prospects, results of operations and financial condition. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, prospects, results of operations and financial condition. Further, any failure to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, may cause the relevant regulatory body to suspend or revoke our business license or impose fines and sanctions in the relevant jurisdictions.

Moreover, in the event of any future expansion, our expansion plans may require certain further government and statutory approvals. Any delay in getting these approvals or inability to obtain them may adversely affect the implementation of such projects, resulting in a cost and time overrun, and accordingly adversely affect our business, prospects, results of operations and financial condition.

6. ***Our Company has defaulted in the repayment of certain borrowings to Bank of India and Axis Bank Limited. In case of failure to make timely payments in the future, we may face action for default under the relevant financing agreements which will adversely affect business operations and financial condition of our Company.***

Our Company has defaulted in the repayment of certain borrowings, the details of which are as follows:

Particulars of Dues to Banks	Amount of default of repayment (₹)	Period of Default
Bank of India	33,48,128/-	Upto February 2017
	372,065/-	For March 2017
Axis Bank Limited	1,56,73,783/-	Upto February 2017
	12,95,399/-	For March 2017

Our Company has, in the past, delayed in making certain payments to our lenders within the timelines stipulated in the relevant financing agreements. In the event that our Company delays payment of principal or interest payments to our lenders in the future and/or fails to discharge its obligations within the timelines stipulated in the financing agreements at all, the lenders may declare the Company in default under the terms of its borrowings, accelerate the maturity of its obligations, claim the default interest, enforce the security interest, and take possession of its assets. Repeated defaults in the repayment of loan would affect our ability to arrange for working capital funds and also for short-term and long term funds of our business. Shortage of funds could materially and adversely affect our creditworthiness, capital expenditure plans, financial condition and business operations.

The above defaults were on account of delay in payment of cash credit facilities availed from the lenders, and the average delay in payment of the dues to the lenders was around 6-7 days. There have been no instances of defaults in repayment of principal/interest on term loans availed from the lenders. Additionally, since April 1, 2017 onwards, there has been no defaults/delay in payment of dues to the lenders, either for cash credit facilities or towards term loans. For details in relation to such defaults, please refer to Paragraph 8 of heading titled “Annexure A to the Independent Auditors Report” on page 77 of this Letter of Offer.

7. ***Our Company has created a charge on its immovable properties to secure the interest of the lenders.***

For the purpose of securing the loans availed by our Company, an equitable mortgage ranking pari-passu over the land and building of the Company situated at Village: Chhatral, Taluka: Kalol (N.G.) - 382729, District: Gandhinagar, Gujarat, India has been created.

In the event of any default in the repayment of the loans in accordance with the terms of the financing agreements or any non-compliance with or non-performance of any covenant of the financing agreements by our Company, the lenders may invoke the charge and may take interest in the said property in accordance with the financing agreements. In such an event, our Company may lose its interest in the said property, which may disrupt the existing business operations of the Company.

8. ***We have not obtained registrations of either our product brands or our logo  under the Trade Marks Act, 1999 for the protection of our intellectual property. Unauthorized parties may infringe our intellectual property by selling their products under our brands, which could have a material adverse effect on our business, prospects, results of operations and financial condition. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

We have applied for certain trademark registrations under the provisions of the Trade Marks Act, 1999 as under:

Sr. No.	Application Number	Class	Description	Current Status
1.	2772095	5	Denis	Advertised in the Trade Marks Journal before acceptance
2.	2772096	5	Aqua Pulse with device of drop and graph	Objected

Sr. No.	Application Number	Class	Description	Current Status
3.	2772099	10	Aqua Pulse with device of drop and graph	Objected

The applications are currently reflected on the website of the trademark ministry with the status as set out in the table above. On the date of this Letter of Offer, we do not enjoy the statutory protections accorded to a registered trademark.

There can be no assurance that the applications made by us will not be refused or that, third parties will not infringe our intellectual property, causing damage to our business, prospects, results of operations and financial condition. Further, we cannot assure you that any application for registration of any trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Any failure to register or to protect our intellectual property rights may adversely affect our business, prospects, results of operations and financial condition.

Furthermore, our Company sells our products under various brands. However, our Company has not made an application under the Trademarks Act, 1999 for registration of all such brands. Also, our Company's logo '  ' is not a registered trademark with Trademarks Registry. We use our logo for marketing and recognition of our products.

Till the time our brands and our logo are registered, we can only protect them through an action under common law, including seeking relief against "passing off" action by any person. If we fail to successfully obtain registration of our brands and our logo, we may not be permitted to use the same due to which we may be unable to capitalize on our brand recognition which could have an adverse effect on our business, financial condition and results of operations.

9. *We are yet to obtain the requisite license under the Shops Act for our Corporate Office. Any failure to obtain and thereafter, to maintain or renew the same in a timely manner or at all, may adversely affect our operations.*

Our Company is yet to file an application to obtain registration under the Shops Act for our Corporate Office. This delay in obtaining the registration under the Shops Act may result in penalties being imposed on our Company under the said Act.

If we fail to comply with any applicable laws and regulations, or fail to obtain, and thereafter to maintain or renew the license under the Shops Act, the relevant regulatory authorities may impose fines and penalties on us. Any action brought against us for alleged violations of applicable laws or regulations, even if our defense thereof is successful, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business and may adversely affect our operations.

For information in relation to the pending government and regulatory approval as on the date of this Letter of Offer, please see the chapter titled "Government and Other Statutory Approvals" beginning on page 108 of this LOF.

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

The Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers of the Government of India introduced the Uniform Code for Pharmaceutical Marketing Practices ("UCPMP") which became effective across India from January 1, 2015. This is a voluntary code of conduct for marketing practices for the Indian pharmaceutical industry and inter-alia provides detailed guidelines about promotional materials, conduct of medical representatives, physician samples, gifts and relationships with healthcare professionals. Under the UCPMP, pharmaceutical companies may not supply or offer any gifts, pecuniary advantages or benefits in kind to persons qualified to prescribe or supply drugs. Further, the managing director or the chief executive officer of the company is responsible for ensuring adherence to the UCPMP and a self-declaration is required to be submitted by the managing director or the chief executive officer within 2 (two) months of the closure of every financial year to the industry

association. Although these guidelines are voluntary in nature, they may be codified in the future and we may have to spend a considerable amount of time and resources to conform to the requirements of the UCPMP leading to increased compliance costs.

11. *We are susceptible to product liability claims and associated risks of litigation that could expose us to material liabilities, loss in revenues and increased expenses.*

We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, in regulated and unregulated markets. We may also be subject to claims resulting from manufacturing defects or negligence in storage and handling leading to the deterioration of our pharmaceutical products. Our products sold by our distributors may have expired, and use of such expired products may cause side-effects to consumers or lack adequate efficacy. Moreover, since some of our products are directly injected into the blood-stream of the person, the consequences of expired or faulty pharmaceutical products are significantly more harmful. In foreign jurisdictions, precedents show that the quantum of damages, especially punitive, awarded in cases of product liability is extremely high. Deterioration in our quality controls could also result in product liability claims against us. Our contracts with our distributors and business partners require us to indemnify the opposite party for any losses suffered by them due to any inherent defects in products supplied by us.

Actual or claimed defects in our Company's manufacturing facility and / or product quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facility, pollution, inefficient operating processes, loss of production or suspension of operations. Moreover, defending claims against our Company diverts the management's time, adversely affects our reputation and the marketability of our products. The consequential liabilities and costs could have a material adverse effect on our business, prospects, results of operations and financial condition.

12. *Delays associated with the collection of receivables from our clients may adversely affect our business, prospects, results of operations and financial condition.*

There may be delays associated with the collection of receivables from our clients and distributors. For the Financial Year ending on March 31, 2017, ₹ 281.97 Lakh or 8.85 % of our total accounts receivable were outstanding for a period of more than 6 (six) months. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our business, prospects, results of operations and financial condition.

13. *Our Company has witnessed negative cash flows in the last three financial years. Any negative cash flows in the future could adversely affect our business, prospects, results of operations and financial condition.*

We have experienced negative cash flows in the past. Our cash flows for the Financial Year ending March 31, 2017, 2016 and 2015 are summarised below:

Particulars	For the year ended on March 31,		
	2017	2016	2015
Net cash from / (used in) operating activities	343.26	2,089.00	1,421.76
Net cash from / (used in) investing activities	(243.82)	(1,290.14)	(2,809.54)
Net cash from / (used in) financing activities	358.99	(698.34)	1,297.39

If we experience any negative cash flow in the future, this could adversely affect our business, prospects, results of operations and financial condition. For further details, please refer to the section titled "Financial Information" beginning on page 70 of this Letter of Offer.

14. If our Company's contingent liabilities materialise, our business, prospects, results of operations and financial condition could be adversely affected.

Our Company's contingent liabilities as of March 31, 2017 and March 31, 2016 are as follows.

(₹ In Lakh)			
Sr. No.	Nature of Liability	Amount as on March 31, 2017	Amount as on March 31, 2016
1.	In respect of counter guarantee given by Bank	361.15	147.29
2.	Disputed demand not acknowledged as debt against which Company has preferred appeal:		
	(a) Sales Tax	101.18	101.18
	(b) Income Tax	163.18	60.37
3.	Letter of credit outstanding	226.27	-
	Total	851.77	308.84

If any of these or any other contingent liabilities materialise, fully or partly, our business, prospects, results of operations and financial condition of our Company could be adversely affected. For further details, please see section titled "Financial Information" beginning on page 70 of this Letter of Offer.

15. Our Company has availed unsecured loans aggregating ₹ 658.48 Lakh, as of March 31, 2017, from our Directors and others that is repayable on demand, which if recalled may have an adverse effect on our business, prospects, results of operations and financial condition.

As on March 31, 2017 our Company has availed unsecured loans of ₹ 658.48 Lakh from our Directors and others that are repayable on demand and which may be recalled at any time. In the event that such loans are recalled by the any of our Directors or other lenders, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. Such a scenario may adversely affect our business, prospects, results of operations and financial condition. For further details please refer to section titled "Financial Information" beginning on page 70 of this Letter of Offer.

16. Our Company is subject to risks arising from interest rate fluctuations, which could adversely affect the financial results of our Company.

As on March 31, 2017, our Company has availed secured loans of ₹ 1,478.73 Lakh as well as working capital loans of ₹ 1,587.27 Lakh from certain banks and financial institutions. Any increase in the interest rates could significantly raise the costs of borrowing adversely affecting the financial results of our Company.

17. The indebtedness and the conditions and restrictions imposed by the financing arrangements entered into by our Company could adversely affect our business, prospects, results of operations and financial condition.

Some of the financing agreements entered into by our Company with our lenders contain certain restrictive covenants and shall require the prior written approval from the relevant lenders for, among others, matters such as: (a) effect changes in our Company's capital structure; (b) formulate any scheme of amalgamation / reconstruction; (c) conclude any fresh borrowing arrangement either secured or unsecured with any other bank, financial institutions, company, firm or persons or otherwise; (d) create any further charge, lien or encumbrance over assets and properties of our Company; (e) undertake any expansion or fresh project or acquire fixed assets; (f) invest by way of share capital or lend or advance to or place deposits with any other concern; (g) undertake guarantee obligations on behalf of another borrower or third party; and (h) declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation.

There can be no assurance that our Company will be able to comply with the above covenants or other covenants contained in the financing agreements or that we will be able to obtain the consents necessary to take the actions that we believes are required to operate and grow the business of our Company. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further, our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances or other consequences could adversely affect our business, prospects, results of operations and financial condition.

18. *Our Company's 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 our Company's future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of our Company's indebtedness and capital expenditures. Any declaration and payment as well as the amount of dividend will also be subject to the constitutional and contractual documents including our Company's financing documents and applicable laws and regulations in India, including, in case of any final dividend, the approval of shareholders. There can be no assurance that our Company will be able to pay dividends in the future.

19. *Our Company's financial results may be subject to seasonal variations.*

Our Company's financial results are affected by seasonal factors since some of our products are in more demand during the summer and monsoon seasons as compared to winter season on account of an increase in common diseases requiring injectables during the summer and monsoon seasons.

20. *Certain proportion of our business transactions are dependent on contracts with governments, governmental authorities, government hospitals and other entities funded by governments or governmental authorities in India and any change in the government policies, practices or focus may adversely affect our business, prospects, results of operations and financial condition.*

Certain proportion of our business transactions are dependent on contracts with governments, governmental authorities, government hospitals and other entities funded by governments or governmental authorities ("**Government Entity**") in India. We set out below the percentage of sales revenue for the last three financial years from Government Entities:

(₹ In Lakh)			
Financial Year	Total Sales Revenue	Sales Revenue From Government Entities	Percentage (%)
2016-17	11,336.25	2,411.72	21.27%
2015-16	9,964.25	1,612.37	16.18%
2014-15	7,685.28	2,157.98	28.08%

If there is any change in the government or in governmental policies, practices or focus that results in a slowdown in obtaining government contracts, our business, prospects, results of operations and financial condition may be adversely affected. One of the standard conditions in contracts typically awarded by any government entity is that the government entity, as a client, has the right to terminate the contract for convenience, without any reason, at any time after providing us with a notice. In the event that a contract is so terminated, our results of operations may be adversely affected.

21. *We are exposed to government price controls which could negatively affect our business, prospects, results of operations and financial condition.*

In addition to normal price competition in the marketplace, the prices of our pharmaceutical products are or may be restricted by price controls imposed by governments and healthcare providers in several countries including India. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012. As a result, a number of drug formulations were identified as essential drugs and were added to India's National List of Essential Medicines and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals released the Drugs (Price Control Order) 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The Drugs (Price Control Order) 2013 ("DPCO 2013") governs the price control mechanism for the formulations listed in the National List of Essential Medicines.

Any action against us or our management for violation of any such regulations In India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order ("DPCO"), promulgated by the Indian government and administered by the National Pharmaceutical Pricing Authority ("NPPA"). The NPPA set out the list of the products that are required to be sold by pharmaceutical companies at or below the price prescribed by the NPPA. If the price of one or more of our products are administered or determined by the DPCO / NPPA, it may have a material adverse impact on our profitability in case we are not able to control costs, may divert management attention and could adversely affect our business, prospects, results of operations and financial condition.

22. *Any delay in production at, or shutdown of, our manufacturing facility could adversely affect our business, prospects, results of operations and financial condition.*

Our Company's manufacturing facility is at single location and all of our Company's products are manufactured from such facility in Village Chhatral, Taluka - Kalol (N. G.), District Gandhinagar. If our Company experiences delays in production or shutdown at such facility due to any reason, including natural disasters, disruptions caused by disputes with our workforce or due to our employees forming a trade union, or due to any natural disaster, our Company's operations will be significantly affected, which in turn would have a material effect on our business, prospects, results of operations and financial condition.

23. *We are heavily dependent on machinery for our operations. We have not entered into technical support service agreements for the maintenance and smooth functioning of some of our machineries. Any break-down of our machinery will have a significant impact on our business, prospects, results of operations and financial condition.*

Our manufacturing facility is heavily dependent on plant and machinery. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. While our company has entered into technical support service agreements for a few of our machineries, we do not have the same for others, which are repaired / serviced in-house. Although our Company has accessibility to avail the technical support from the external experts and the machinery suppliers locally, any failure to quickly redress any technical issue, may increase our downtime which may affect our business, prospects, results of operations and financial condition. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to repair the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our business, prospects, results of operations and financial condition.

24. *The availability of spurious pharmaceutical products could lead to losses in revenues and harm the reputation of our products, which may in turn result in a material adverse effect on our business, prospects, results of operations and financial condition.*

We are exposed to the risk of spurious products or similar products not manufactured by us being sold under our name and brand. This practice by third parties may harm our corporate reputation and that of our brand. In the event that the spurious products are manufactured using our brand, we may have to establish that the spurious products are not manufactured and / or marketed by us so that we are able to defend any claim that may be made against us. In order to do so, we mark our products with specific batch numbers and manufacturing and expiry dates, which are

maintained in our internal database at our manufacturing facility. We cannot assure you that by dubious activities / processes our products will not be replicated by the manufacturer of the spurious products, and therefore, may suffer financial losses as well as loss to our reputation, which may in turn result in a material adverse effect on our business, prospects, results of operations and financial condition.

- 25. *Due to our presence in a limited number of therapeutic categories, specifically large volume parenterals, our business, prospects, results of operations and financial condition may be materially adversely affected if recent levels of market growth in these therapeutic categories are not maintained.***

We garner most of our revenue from the sale of large volume parenterals, within the pharmaceutical industry. If recent levels of market growth in this segment are not maintained or if profit margins for products sold declines, our business, prospects, results of operations and financial condition could be adversely affected. Any such development or invention in this particular therapeutic category could have a material adverse effect on our business, prospects, results of operations and financial condition.

- 26. *Our Company may be subject to industrial unrest, slowdowns and increased labour costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, workers also have a right to establish trade unions. Although we currently have no labour unions, we cannot assure you that there will be no labour unions formed in the future.

As at March 31, 2017, our Company had approximately 133 full-time employees. While our Company believes that it maintains good relationships with the employees and contractors, there can be no assurance that we will not experience disruptions to our operations in the future due to disputes or issues with our contractors or employees.

In the event that there are labour unions formed and conflicts with the same, or if our Company experiences unrest or slowdowns, it may become difficult for our Company to maintain flexible labour policies, all of which may materially and adversely impact our business, prospects, results of operations and financial condition.

- 27. *We participate in tenders which are highly competitive and failure to meet any of the conditions or increased competitive pressure for selection during the tendering process may adversely affect our business, prospects, results of operations and financial condition.***

Our institutional customer base includes governments, governmental authorities, government hospitals and other entities funded by governments or governmental authorities (“**Government Entity**”). Our Company procures orders from these institutions by tender process. Our Company submits financial bids to procure orders from such government institutions. We cannot assure you that our financial bids, when submitted or if already submitted, would be accepted. Further, there might be delays in the bid selection process owing to variety of reasons which may be outside our control and our bids, once selected may not be finalized within the expected time frame which may affect our business, prospects, results of operations and financial condition.

- 28. *We do not own the property where our corporate office is situated. If we are unable to renew any of our leases or licenses, this could adversely affect our business, prospects, results of operations and financial condition.***

We operate from our corporate office at 401, Abhishree Complex, Abhishree (Shops & Offices) Co-operative Housing Society, Opposite Om Tower, Satellite Road, Ahmedabad – 380015, Gujarat, India. We do not own the said corporate office. It has been rented on a leave and license basis from one of the Promoters of our Company. The term of the leave and license period is from June, 2017 to May, 2018 and can be further extended for a period of 1 (one) year / terminated with mutual consent subject to terms of the leave and license agreement. If the agreement under which we occupy the premises is not renewed or is renewed on terms and conditions that are unacceptable to us, we may suffer a temporary disruption in our operations.

29. *Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.*

Our operations are subject to various risks which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

We maintain insurance including cover for building, plant & machinery, furniture & fixtures, compound wall, stock & stock-in-process under standard fire & special perils policies. While we believe that we maintain sufficient insurance cover, certain types of losses may be either uninsurable or not economically viable to insure, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or the insurance purchased by us may be insufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, prospects, results of operations and financial condition. Further, an insurance claim once made could lead to an increase in our insurance premium.

30. *We do not currently have long term contracts or exclusive supply arrangements with any of our vendors, and any major disruption to the timely and adequate supplies of our raw materials or any deterioration in the quality of raw materials could adversely affect our business, prospects, results of operations and financial condition.*

While we are not significantly dependent on any single supplier, we do not currently have long term contracts or exclusive supply arrangements with any of our vendors. We are therefore dependent on adequate and timely deliveries by our suppliers of necessary raw materials as per satisfactory levels of quality. In the event of delay, inadequacy, default in deliveries by any of our vendors or deterioration in the quality of raw materials, we may not be able to obtain substitutes on an adequate and timely basis or on commercially acceptable terms. Furthermore, it is possible that some of our existing suppliers may choose to discontinue operations, or offer more viable terms or enter into exclusive arrangements with our competitors. A major disruption to the timely and adequate supplies of our raw materials or deterioration in the quality of raw materials could adversely affect our business, prospects, results of operations and financial condition.

31. *Our inability to maintain our relationships with our sales agents may affect our sales operations.*

We conduct most of our sales through various channels, including through super stockists, stockists and chemist. If our sales agents discontinue selling our products or commence selling the products of our competitors, our sales network may get reduced. Our inability to maintain effective relationships may affect our sales operations.

32. *Our success depends on our distribution, marketing and sales arrangements with our distributors, stockists, and customers including our institutional customers. If any of these arrangements are discontinued for any reason, our business, prospects, results of operations and financial condition may be adversely affected.*

Our Company supplements the territorial coverage of our products in various countries in the unregulated markets through licensing and sales / distribution arrangements with third parties. Therefore, in addition to the marketing activities undertaken by our Company, we also depend on third parties for marketing and distribution of certain products in their respective markets. While we have a good business relationship with our distributors, sales agents, stockists and customers, we do not have any long term supply contracts with many of them. In absence of a written contract, we may be unable to continue our business relationship with our distributors, sales agents, stockists and customers, including our institutional customers, wherein the same could impact our orders, causing an adverse effect to our business, prospects, results of operations and financial condition.

33. *We may not be able to correctly assess the demand for our products, which may adversely affect our business, prospects, results of operations and financial condition.*

Our production and distribution processes require us to anticipate the demand for our products based on the feedback received from our own marketing personnel as well as our distributors. An accurate assessment of market demand requires significant investment in the creation of a sales and marketing network and training of marketing personnel. There is no guarantee that our estimate of market demand in India or in foreign countries will be accurate. In the event that we overestimate the demand for our products, we will have expended resources in manufacturing excess products, taxes on manufacture, export costs, insurance costs, distribution expenses, storage and warehousing and other allied expenditures. Our products have a limited expiry period and in the event of excess production, we might have to bear the cost of expiry and destruction of these goods. In the event that we underestimate the market demand, we will have lost out on sales opportunities that our competitors will capitalise on and thereby increase their respective market shares. Any incorrect assessment of the demand for our products may adversely affect our business, prospects, results of operations and financial condition.

34. *We operate in a competitive business environment, both globally and domestically. If our Company is unable to respond effectively to competition, our business, prospects, results of operations and financial condition may be adversely affected.*

We operate in a competitive business environment. The pharmaceutical industry is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of both governments and bilateral treaties and arrangements and consolidation of resources by industry players. Growing competition may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. Further, several of our competitors are larger international and national companies and have access to greater resources, wider geographical reach, broader product ranges or may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. Further, they may succeed in developing products that are more effective, more popular or cheaper than our products. Any of these factors may have a material adverse effect on our business, prospects, results of operations and financial condition.

35. *We are susceptible to volatility of prices of our products, including due to competitive products.*

Prices of our products are subject to fluctuation, depending on, among other factors, the number of producers and their production volumes and changes in demand in the markets we serve. Volatility in price realization and loss of customers may adversely affect our profitability. Further, there is no assurance that we will be able to maintain our low cost of operations or to further reduce costs or develop new cost effective processes in the future.

36. *If we fail to keep pace with advancements in technology in the pharmaceutical industry, create new intellectual property, or respond to changes in market demand or client requirements, our business, prospects, results of operations and financial condition could be adversely affected.*

The pharmaceutical industry is characterized by frequent advancements in technology fuelled by high expenses incurred on research and development. To meet our clients' needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our pharmaceutical manufacturing activities. In addition, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and / or write-downs of assets. Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand or client requirements could adversely affect our business, prospects, results of operations and financial condition.

37. *Our business, prospects, results of operations and financial condition may be adversely affected in the event of increases in the price of raw materials, fuel costs, labour or other inputs, and our commitments to deliver our products to our clients / customers are dependent on adequate and timely supply of key raw materials.*

The cost of raw materials, fuel, labour and other inputs constitutes a significant part of our total expenses. Our pharmaceutical manufacturing operations require various pharmaceutical raw materials. Our actual expense may

vary substantially from our assumptions / projections for several reasons, including unanticipated increases in the cost of raw materials, fuel, labour or other inputs, unforeseen distribution conditions, including the inability of our Company or the distributor to obtain requisite approvals, product registrations and marketing authorisations, resulting in delays and increased costs and suppliers', distributors' or subcontractors' failure to perform.

Such variance in expenses may affect our business, prospects, results of operations and financial condition.

38. *We may not be able to sustain effective implementation of our business and growth strategies, including our expansion plans and the financing of such expansion, which may adversely affect our business, prospects, results of operations and financial condition.*

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. One of our business strategies is to target our products to multi-specialty hospitals as well as corporate hospitals and unregulated export markets to take advantage of growth opportunities in these markets. There can be no assurance that we will be able to execute our strategy within the estimated budget. Our inability to manage our business and growth strategies may have an adverse effect on our business, prospects, results of operations and financial condition.

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

We depend extensively on the capacity and reliability of the quality assurance systems, product processing systems and information technology systems to support our operations. Our systems are subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. There can be no assurance that we will not encounter disruptions in the future. Any disruption in the use of, or damage to, our systems may adversely affect our business, prospects, results of operations and financial condition.

40. *We, at times, rely on contract labour for the performance of many of our operations.*

We, at times, rely on contract labourers for performance of many of our unskilled or semi-skilled operations. We are registered as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970, and we shall apply for a renewal of this registration at the appropriate stage. However, any delay or non-receipt of this registration may adversely affect our ability to employ contract labour in our operations.

If the contractor through whom we engage the contract labour does not possess registration under the Contract Labour (Regulation and Abolition) Act, 1970, or does not pay wages or provide amenities as stipulated by the Contract Labour (Regulation and Abolition) Act, 1970, we as principal employer may be liable to provide the same to the contract labourer which may cause an added burden on our financials and may affect our business, prospects, results of operations and financial condition.

41. *Our operations are subject to environmental, workers' health and safety and employee laws and regulations.*

Our operations are subject to environmental laws and regulations relating to environmental protection in India, such as the Water Act, Air Act and the Environment Act, as well as internationally. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties, and may result in our incurring costs to remedy any such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our business, prospects, results of operations and financial condition. Environmental laws and regulations in India have become increasingly stringent, and it is possible that they will become significantly more stringent in the future. If our facility or our operation is shut down, we may continue to incur costs in complying with regulations, appealing any decision to close our facilities, maintaining production at our existing facilities and continuing to pay labour and other costs which may continue even if the facility is closed. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations may impose new

liabilities on us or result in the need for additional compliance requirements and additional investment in environmental protection equipment, either of which could adversely affect our business, prospects, results of operations and financial condition.

We are also subject to laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees, contract labour, work permits and health and safety. In some of the territories in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law.

If we are unable to comply with various regulatory requirements, it may have a material adverse effect on our business, prospects, results of operations and financial condition.

42. *The success of our strategy of expanding presence in unregulated markets is dependent on a number of factors, some of which are beyond our control.*

One of our business strategies is to expand our sales and distribution activities in unregulated markets. The success of such expansion is dependent upon our obtaining requisite approval of the regulatory authorities for the products which we intend to sell, as well as timely renewal of existing accreditations. Any change in foreign governments or in foreign governmental policies, regulations, practices or focus that results in a slowdown or inability to obtain government approvals or product registrations could adversely affect this strategy, which in turn could adversely affect our business, prospects, results of operations and financial condition.

43. *The pharmaceutical industry in general is characterized by a rapidly changing market landscape.*

The market landscape of the pharmaceutical industry in general is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of both governments and bilateral treaties and arrangements and consolidation of resources by industry players. These factors are susceptible to sudden change which may affect the industry in a positive or negative manner. Any successful pharmaceutical or formulations company must be adequately prepared to react quickly and successfully when such changes occur. Any delay by our Company in reaction to these changes, whether in terms of modification of our Company's strategy or diversion of our production or management resources, would have a material adverse effect on our business, prospects, results of operations and financial condition.

44. *The pharmaceutical Industry is highly regulated and furthermore, the success of our strategy of entering regulated markets is dependent on a number of factors beyond our control.*

The pharmaceutical industry is highly regulated, including in relation to quality standards and pricing of drugs and intermediates. Further, entry barriers in many regulated markets in which we currently operate and seek to expand are very high. The research, testing, manufacturing, selling and marketing of pharmaceutical products are subject to extensive regulation by regulatory authorities, and regulations differ from country to country.

Further, any adverse change in the regulatory policies in terms of margins or prices of our products sold would affect our customers' sales and strategy, which would also impact our sales. Further, there is no assurance or guarantee that any government or statutory authority will not ban the products manufactured by us. In such an event, our business and profitability may be affected. In addition, regulatory requirements are still evolving in many emerging markets where we sell or manufacture our products. In these markets, the regulatory requirements and the policies may at times be unclear or inconsistent. As a result, there is an increased risk of our inadvertent non-compliance with such regulations, which could lead to withholding or delay in receipt of regulatory approvals for our new products, or regulatory sanctions or increased compliance costs.

45. *We are heavily reliant on our Key Management Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect our business, prospects, results of operations and financial condition.*

In order to successfully manage and expand our business, we are dependent on the services of our Key Management Personnel, and our ability to attract, train, motivate and retain skilled employees, including technicians and other professionals. In addition, our business is technical in nature and requires personnel with requisite technical

expertise. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Management Personnel and persons with requisite technical expertise, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Management Personnel, professionals and skilled employees, having requisite experience, could adversely affect our business, prospects, results of operations and financial condition.

46. Our Company has entered into transactions with related party and may continue to do so in the future, which may potentially involve conflicts of interests with the Equity Shareholders.

Our Company has entered into various transactions with related parties. Such related party transactions as a percentage of total revenue for the last three financial years are as under:

(₹ In Lakh)			
Period	Related Party Transactions	Total Revenue	Related Party Transactions (% of Revenue)
FY 2016-17	369.93	11,336.25	3.17%
FY 2015-16	346.11	9,964.25	3.47%
FY 2014-15	368.59	7,685.28	4.80%

While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, we may enter into related party transactions in the future. Such agreements may give rise to conflicts of interest with respect to dealings between us and such related parties. For further details, please refer to the section titled "Financial Information" beginning on page 70 of this Letter of Offer.

47. Delay in raising funds from the Issue could adversely impact the implementation schedule which may adversely affect our cash flow position, our business, prospects, results of operations and financial condition.

Our Company's proposed objects of the Issue are to be funded from the proceeds of this Issue. Any failure or any delay on our Company's part to mobilize the required resources through this Issue or any shortfall in the Issue proceeds may delay the implementation schedule. Our Company therefore, cannot assure that it would be able to execute the proposed plans within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our cash flow position, our business, prospects, results of operations and financial condition. For details on schedule of implementation and use of proceeds see chapter titled "Objects of the Issue" beginning on page 50 of this Letter of Offer.

48. We have not identified any alternate source of financing the 'Objects of the Issue'. If we fail to mobilize resources as per our plans, our growth plans may be affected.

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from the Issue or any shortfall in the Issue Proceeds may delay the implementation schedule of our Project and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 50 of this Letter of Offer.

49. The Objects of this Issue are based on the internal estimates of our management, and have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and the same will not be monitored by any external agency.

Our funding requirements, the funding plans and the deployment of the proceeds of the Issue are based on our management estimates and have not been appraised by any bank or financial institution. The deployment of funds for the Objects of the Issue is entirely at our own discretion and the same will not be monitored by any external agency. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. The estimates contained in this Letter of Offer may exceed the value that would have

been determined by third party appraisals, which may require us to reschedule the deployment of funds proposed by us and may have a bearing on our expected revenues and earnings.

50. *The deployment of the Issue Proceeds is entirely at the discretion of our Company and is not subject to any monitoring by any independent agency.*

The SEBI ICDR Regulations stipulates the appointment of monitoring agency only where the issue size is in excess of ₹10,000 Lakh. Since the Issue is for less than ₹10,000 Lakh, we will not be appointing a monitoring agency and the deployment of Issue Proceeds as stated in chapter titled “Objects of the Issue” beginning on page 50 of this Letter of Offer will not be monitored by an independent agency.

51. *The completion of our proposed expansion is dependent on performance of various external agencies and any shortfall in the performance of these external agencies may adversely affect our expansion plans.*

The completion of our proposed expansion is dependent on performance of various external agencies, which are responsible for installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns, which in turn may adversely affect our expansion plans.

52. *Under-utilisation of our proposed expansion may adversely impact our financial performance.*

Our proposed expansion for manufacturing large volume parenterals is based on our estimates of market demand and profitability. In the event of non-materialisation of our estimates and expected order flow for our products, due to factors including adverse economic scenario, change in demand or change in technology or non-acceptability of the product in the market for any other reason, our capacities may not be fully utilised thereby adversely impacting our financial performance.

EXTERNAL RISK FACTORS

53. *Introduction of the Goods and Services Act, 2017 has caused a shift in the indirect tax regime in India and transitioning to the same may impact our business, prospects, results of operations and financial conditions..*

The Government has implemented the Goods and Services Act, 2017 with effect from July 1, 2017 in order to simplify and unify the indirect tax regime. Given that, this is a recent enactment, there is likely to be uncertainty with regard to interpretation and implementation. The implementation of this rationalised tax structure might be affected by any disagreement between certain state governments, which could create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. We are in the process of determining the impact of this legislation on our business and transitioning to the same. Any uncertainty in regard to its applicability, interpretation or implementation may impact our business, prospects, results of operations and financial conditions.

54. *Significant differences exist between the accounting principles of existing / erstwhile Indian GAAP as compared to Ind AS and IFRS, which investors may consider material to their assessment of our Company’s financial condition.*

The MCA, pursuant to a notification dated February 16, 2015, has issued the Companies (Indian Accounting Standards) Rules, 2015 which lay down a roadmap for companies other than insurance companies, banking companies and non-banking finance companies for the implementation of Ind AS converged with IFRS.

As per the above mentioned notification, companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than ₹ 50,000 Lakh, shall comply with Ind AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017. Accordingly, our Company would mandatorily be required to comply with Ind AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017.

Ind AS has fundamental differences with IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. In this Letter of Offer, we have not made any attempt to quantify the impact of the differences between Ind AS, IFRS and Indian GAAP as applied to our historical financial statements and our Company cannot assure the Investors that our results of operations, financial condition, cash flow or changes in shareholders' equity will not appear materially different under Ind AS from that under Indian GAAP or IFRS and that if the Ind AS were to be applied to our historical financial statements prepared under Indian GAAP, there will not material difference in the applicable accounting policies and standards that will require material adjustments to our historical financial statements prepared under Indian GAAP.

Our Company would have to mandatorily adopt Ind AS for the preparation of the unaudited limited reviewed financial results for the quarter ended June 30, 2017. Our Company may encounter difficulties in this proposed transition to the Ind AS from Indian GAAP and in enhancing our management information systems for the same. There can be no assurance that the adoption of Ind AS will not adversely affect our Company's reported financial condition or our results of operations.

55. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.*

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

56. *There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchange in a timely manner or at all and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver the Draft Letter of Offer and Letter of Offer to SEBI and the Stock Exchange under the applicable provisions of the Companies Act and the ICDR Regulations. The trading approval shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchange could adversely affect the trading price of the Equity Shares.

57. *The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.*

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and,
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

58. *Political instability or changes in the government or government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.*

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

59. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.*

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

60. *The occurrence of natural disasters may adversely affect our business, prospects, results of operations and financial condition.*

The occurrence of natural disasters, including, but not limited to hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our business, prospects, results of operations and financial condition. The potential impact of a natural disaster on the Indian economy and our business, prospects, results of operations and financial condition is speculative, and would depend on numerous factors. We cannot assure you that such events will not occur in the future or that our business, prospects, results of operations and financial condition will not be adversely affected by the same.

61. *General economic conditions in India and globally could adversely affect our business, prospects, results of operations and financial condition.*

Our business, prospects, results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, results of operations and financial condition. Our Company mainly derives revenue from operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our Company's employee costs and decrease our operating margins, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could

adversely affect the Indian economy and our Company's business. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the industry in which our Company operates, which may in turn, adversely affect our financial performance and ability to implement our business strategy. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, prospects, results of operations and financial condition as well as the market price of the Equity Shares.

62. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.

Any adverse revisions to India's credit ratings for domestic and international debt by any domestic or international rating agencies may affect the interest rates and other commercial terms at which financing facilities are available and adversely impact our ability to raise additional financing. This could have an adverse effect on our business, prospects, results of operations and financial condition as well as our ability to obtain financing for further capital expenditures.

PROMINENT NOTES

1. Issue of 21,34,872 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ 84 per Rights Equity Share [including a share premium of ₹ 74 per Rights Equity Share] aggregating to an amount upto ₹ 1,793.29 Lakh to the Eligible Equity Shareholders on a rights basis in the ratio of 2 Rights Equity Shares for every 11 Equity Shares held by them on the Record Date.
2. As on March 31, 2017, the Net Worth of our Company is ₹ 2,985.74 Lakh as described in the section titled "*Financial Information*" beginning on page 70 of this Letter of Offer.
3. For details of our transactions with the related parties during FY 2016-17, the nature of such transactions and the cumulative value of such transactions, please see the section titled "*Financial Information*" beginning on page 70 of this Letter of Offer.
4. There has been no financing arrangement whereby our Promoters and Promoter Group or our Directors have financed the purchase by any other person of our securities other than in the normal course of business of the financing entity during the period of 6 (six) months immediately preceding the date of filing of the Draft Letter of Offer with SEBI.

Investors may contact the Lead Manager for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager to the public and investors at large and no selective or additional information would be made available only to a section of the Investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Bid-cum-Application Form has been submitted by the ASBA Bidder. For contact details please see chapter titled "*General Information*" beginning on page 37 of this Letter of Offer.

SECTION III– INTRODUCTION

SUMMARY OF 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 chapter titled “*Terms of the Issue*” beginning on page 120 of this Letter of Offer:

This issue of Equity Shares is being made by us as set forth below:

Rights Equity Shares to be Issued	21,34,872 Equity Shares
Rights Entitlement for Equity Shares	2 (Two) Rights Equity Share for every 11 (Eleven) fully paid-up Equity Shares held on the Record Date.
Record Date	September 9, 2017
Face value per Equity Share	₹ 10 each
Issue Price per Equity Share	₹ 84 per Rights Equity Share
Issue Size	Upto ₹ 1,793.29 Lakh
Equity Shares outstanding prior to the Issue	1,17,41,796 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	1,38,76,668 Equity Shares
Script Code	ISIN: INE051G01012 BSE: 537536
Terms of the Issue	For more information, please see the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 120 of this Letter of Offer.
Use of Issue Proceeds	For more information, please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 50 of this Letter of Offer.

Terms of Payment:

The full amount of Issue Price ₹ 84 per Rights Equity Share is payable on Application.

Due Date	Amount
On Application of the Rights Equity Shares	₹ 84 per Rights Equity Share which constitutes 100% of the Issue Price.

SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth the summary of financial information derived from our Audited Financial Statements as on March 31, 2017, prepared in accordance with Companies Act, the Indian GAAP, applicable standards and guidance notes specified by the ICAI, applicable accounting standards and other applicable statutory and / or regulatory requirements. Our summary of financial information presented below, is in ₹ in Lakh and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in chapter titled “Financial Statements” beginning on page 70 of this Letter of Offer.

Balance Sheet as at March 31, 2017:

(₹ in Lakh)		
Particulars	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1,174.18	904.18
Preferential Share Warrants	-	405.00
Reserves and Surplus	1,811.56	335.80
	2,985.74	1,644.98
Non-current Liabilities		
Long-Term Borrowings	1,725.26	1,996.08
Deferred Tax Liabilities (Net)	257.24	174.88
Other Long Term Liabilities	-	-
Long-Term Provisions	53.50	34.84
	2,036.00	2,205.80
Current Liabilities		
Short-Term Borrowings	1,587.27	1,629.25
Trade Payables	1,995.27	1,695.94
Other Current Liabilities	795.20	1,284.67
Short-Term Provision	50.59	15.12
	4,428.33	4,624.98
Total	9,450.07	8,475.76
ASSETS		
Non-current Assets		
Fixed Assets		
(i) Tangible Assets	4,413.01	3,954.11
(ii) Intangible Assets	13.82	14.17
(iii) Capital Work-in-progress	66.57	984.35
Non-current investment	6.00	6.00
Long-term Loans and Advances	169.72	127.95
Other Non-current Assets	-	-
	4,669.12	5,086.58
Current Assets		
Current Investments	-	-
Inventories	517.92	552.38
Trade Receivables	3,185.80	2,268.24
Cash and Cash Equivalents	740.76	282.33
Short-term Loans and Advances	290.95	251.16
Other current assets	45.52	35.07
	4,780.95	3,389.18
Total	9,450.07	8,475.76

Statement of Profit and Loss for the year ended March 31, 2017:

(₹ in Lakh)		
Particulars	As at March 31, 2017	As at March 31, 2016
INCOME		
Revenue from Operations	11,336.25	9,964.25
Other Income	64.81	47.20
Total Revenue	11,401.06	10,011.45
EXPENSES		
Cost of Materials Consumed	5,377.91	5,317.06
Changes in Inventories (Increase) / Decrease in Finished goods & work-in-progress	15.38	(45.79)
Employee Benefit Expense	1,256.28	1,006.23
Depreciation and Amortization of Assets	677.08	563.60
Finance Costs	578.21	673.38
Other Expenses		
(i) Manufacturing & Other Expense	1,243.50	1010.83
(ii) Selling & Distribution Expense	2,053.94	1827.85
Total Expenses	11,202.30	10,353.16
Profit / (Loss) Before Exceptional and Extraordinary Items and Tax	198.76	(341.71)
Exceptional items	-	-
Profit / (Loss) Before Extraordinary Items and Tax	198.76	(341.71)
Extraordinary Items	-	-
Profit / (Loss) Before Tax	198.76	(341.71)
Tax Expenses:		
(a) Current Tax	40.52	-
(b) Less: MAT Credit entitlement	(40.52)	-
(c) Deferred Tax Income (Net)	82.35	107.20
(d) Short / (excess) provision of tax relating to earlier years	(9.35)	(4.13)
	73.00	103.06
Profit / (Loss) for the year after tax	125.76	(444.77)
Earning per equity Share (in ₹)	1.07	(4.92)

Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakh)		
Particulars	As at March 31, 2017	As at March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	198.76	(341.71)
Adjustments for:		
Depreciation Expense	677.08	563.59
(Profit) / Loss on Sale of Fixed Assets	-	-
Interest Income	25.97	23.02
Dividend Income	0.50	1.00
Rent Income	7.74	-
Finance Cost	578.21	673.38
Operating Profit before Working Capital changes	1488.26	919.28
Movement in Working Capital		
Trade Receivables	(917.56)	269.82
Inventories	34.46	(153.43)
Loans & Advances and Other Assets	(86.16)	344.40
Liabilities & Provisions	(138.72)	704.79
Short Term loans & Advances	-	-
Cash Generated from operations	380.29	2,084.87
Less: Direct Taxes paid(Net of refunds received, if any)	37.03	(4.13)
Net cash from Operating Activities (A)	343.26	2,089.00
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(217.85)	(1,267.12)
Proceeds from Sale / Adjustment of Fixed Assets	-	-
Interest Received	(25.97)	(23.02)
Investments	-	-
Net Cash used in Investing activities (B)	(243.82)	(1,290.14)
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / (Decrease) in Long term Borrowing	(270.82)	(407.41)
Increase / (Decrease) in Short term Borrowing	(41.98)	(23.01)
Dividend Income	(0.50)	(1.00)
Increase / (Decrease) in Other Long term Provisions	2.72	1.46
Finance Cost	(578.21)	(673.38)
Rent Income	(7.74)	-
Dividend Paid	-	-
Share issued / Preferential warrant share application money	(405.00)	405.00
Increase in share capital	270.00	-
Security Premium	1,350.00	-
MAT Credit entitlement	40.52	-
Net Cash used in Financing Activities (C)	358.99	(698.34)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	458.43	100.52
Cash and Cash Equivalents as at beginning of the Year	282.33	181.81
Cash and Cash Equivalents as at closing of the Year	740.76	282.33

GENERAL INFORMATION

Our Company was originally incorporated as 'Denis Chem Lab Private Limited', a private limited company under the Companies Act, 1956 pursuant to the grant of Certificate of Incorporation dated July 15, 1980 by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a public limited company and a Fresh Certificate of Incorporation consequent upon Change of Name was granted in the name of 'Denis Chem Lab Limited' by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli on April 29, 1982. The Corporate Identity Number (CIN) of our Company is L24230GJ1980PLC003843.

Registered Office of our Company

Denis Chem Lab Limited

Block Number 457, Village: Chhatral,
Taluka: Kalol (N. G.) - 382729,
District: Gandhinagar, Gujarat, India.

Telephone: +91 2764 233596 / 233613;

Facsimile: + 91 2764 233896;

Email: cs.denischem@gmail.com;

Website: www.denischemlab.com

Corporate Office of our Company

Denis Chem Lab Limited

401, Abhishree Complex,
Abhishree (Shops & Offices) Co-operative Housing Society,
Opposite Om Tower, Satellite Road,
Ahmedabad – 380015, Gujarat, India.

Telephone: +91 79 26925716 / 26925719;

Facsimile: + 91 79 26925710;

Email: cs.denischem@gmail.com;

Website: www.denischemlab.com

Address of the ROC

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

Registrar of Companies

ROC Bhavan, Opposite Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380013, Gujarat, India.

Company Secretary and Compliance Officer

Ms. Khushbu H. Shah,

Denis Chem Lab Limited

401, Abhishree Complex,
Abhishree (Shops & Offices) Co-operative Housing Society,
Opposite Om Tower, Satellite Road,
Ahmedabad – 380015, Gujarat, India.

Telephone: +91 79 26925716 / 26925719;

Facsimile: + 91 79 26925710;

Email: cs.denischem@gmail.com;

Website: www.denischemlab.com

Investors may contact our Compliance Officer or the Registrar to the Issue for any pre-issue / post-issue related matters such as non-receipt of Abridged Letter of Offer / CAF / letters of allotment / Share Certificates / refund

orders, credit of shares etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

Lead Manager to the Issue

Vivro Financial Services Private Limited

Vivro House, 11, Shashi Colony,
Opposite Suvidha Shopping Center, Paldi,
Ahmedabad – 380007, Gujarat, India.

Telephone: +91 79 40404242

Facsimile: +91 79 26650570

Email: denis@vivro.net

Website: www.vivro.net

Investor Grievance Email: investors@vivro.net

Contact Person: Mr. Anish Akruwala / Ms. Mili Khamar

SEBI Registration Number: INM000010122

CIN: U67120GJ1996PTC029182

Registrar to the Issue

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400083, Maharashtra, India.

Telephone: + 91 22 49186200;

Facsimile: +91 22 49186195

Email: denischem.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: denischem.rights@linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

Legal Advisor to the Issue

Wadia Ghandy & Company (Ahmedabad)

Advocates & Solicitors

1st Floor, Chandan House,
Near Mayor's Bungalow,
Law Garden, Ahmedabad – 380006, Gujarat, India

Telephone: +91 79 26564700 / 26564800

Facsimile: +91 79 26564300

E-mail: tanvish.bhatt@wadiaghandy.com

Contact Person: Mr. Tanvish Bhatt

Statutory Auditor of our Company

M/s. Shah & Shah Associates,

Chartered Accountants,

702, Aniket Tower,
Near Municipal Market,
C G Road, Ahmedabad – 380009, Gujarat, India.

Telephone: +91 79 26465433

Facsimile: +91 79 26406983

Email: nimish@shahandshah.co.in

Contact Person: Mr. Nimish Shah
Membership Number: 30102
Firm Registration Number: 113742W
Peer Review Board Certificate Number: 008864

Bankers to our Company

Axis Bank Limited

Corporate Banking,
2nd Floor, 3rd Eye One,
Panchvati Circle, CG Road,
Ahmedabad – 380009, Gujarat, India.

Telephone: + 91 9879627779

Facsimile: + 91 79 66147105

Email: maulik.mehta@axisbank.com

Web site: www.axisbank.com

Contact Person: Mr. Maulik Mehta

Bank of India

S. G. Highway Branch,
6-7, Ground Floor, Shapath-IV,
Near Karnavati Club, Opposite Chimanbhai Patel Institute,
S. G. Highway, Ahmedabad – 380051, Gujarat, India.

Telephone: +91 79 2693 7313

Facsimile: +91 79 2693 7307

Email: sghighway.ahmedabad@bankofindia.co.in

Website: www.bankofindia.co.in

Contact Person: Mr. Tapan Bandopadhyay

Bankers to the Issue and Refund Bank

Axis Bank Limited

Abhishree Avenue, Nehrunagar, Ambawadi,
Ahmedabad, Gujarat - 380050

Telephone: +91 79 40700100

Facsimile: +91 79 40700100

Email: nehrungar.branchhead@axisbank.com

Web site: www.axisbank.com

Contact Person: Mr. Bhavesh Trivedi

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

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	Thursday, September 28, 2017
Last Date for request for Split Application Forms	Thursday, October 5, 2017
Issue Closing Date	Thursday, October 12, 2017

The Board of Directors or a duly authorized committee thereof will 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 (thirty) days from the Issue Opening Date.

Statement of responsibilities of the Lead Manager to the Issue

Vivro Financial Services Private Limited is the Lead Manager to the Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them. The various activities have been set forth below:

Sr. No.	Activities
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due Diligence of the Company, drafting and design of the Letter of Offer, the Abridged Letter of Offer, the CAF and of the advertisement or publicity material including newspaper advertisements and brochure / memorandum containing salient features of the offer document.
3.	Selection of various agencies connected with the Issue, namely Registrars to the Issue, Bankers to the Issue, printers, advertising agencies, etc. as may be applicable.
4.	Drafting and approval of all publicity material including statutory advertisements, corporate advertisements, brochures, corporate films, etc.
5.	Liaisoning with the Stock Exchanges and SEBI for pre-Issue activities, including for obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchange and SEBI.
6.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrars to the Issue, Bankers to the Issue, Self-Certified Syndicate Banks, etc.

Experts Opinion

Our Company has received consent from the Statutory Auditors, M/s. Shah & Shah Associates, Chartered Accountants to include their name as an “expert” under Section 2(38) read with Section 26 of the Companies Act in this Letter of Offer in relation to (i) the audit report dated May 26, 2017 on the audited financial statements of our Company for FY 2016-17 provided under chapter titled “*Financial Statements*” beginning on page 70 of this Letter of Offer; and (ii) the Statement of Tax Benefits dated May 14, 2017 provided under chapter titled “*Statement of Tax Benefits*” beginning on page 58 of this Letter of Offer. Further, this consent has not been withdrawn as of the date of this Letter of Offer.

Underwriting

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

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 (fifteen) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 (eight) days after our Company becomes liable to pay the subscription amount (i.e. 15 (fifteen) days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act, 2013.

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 an issuer is required to appoint a monitoring agency if the issue size is in excess of ₹ 10,000 Lakh. Since the size of present issue is less than ₹ 10,000 Lakh, our Company is not required to appoint a monitoring agency. Our Board and the Audit Committee of our Board will monitor the use of proceeds of this Issue in accordance with applicable law.

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.

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 of our Company, please refer to the chapter titled "*Financial Statements*" beginning on page 70 of this Letter of Offer.

CAPITAL STRUCTURE

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

(₹ In Lakh, except the shares data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	AUTHORIZED SHARE CAPITAL		
	1,60,00,000 Equity Shares of ₹ 10 each	1,600.00	-
B.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	1,17,41,796 Equity Shares of ₹ 10 each	1,174.18	-
C.	PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER⁽¹⁾		
	21,34,872 Equity Shares at an Issue Price of ₹ 84 per Equity Share	213.49	1,793.29
D.	ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE		
	1,38,76,668 ⁽²⁾ Equity Shares of face value of ₹ 10 per Equity Share	1,387.67	-
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	1,590.97	
	After the Issue	3,170.78 ⁽²⁾	

⁽¹⁾ The Issue has been authorised by a resolution of our Board passed at its meeting held on April 13, 2017, pursuant to Section 62 of the Companies Act, 2013.

⁽²⁾ Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure:

- Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.
- None of the Equity Shares held by our Promoters and Promoter Group are pledged with any banks or institutions, locked-in or otherwise encumbered.
- No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of this Letter of Offer with the Designated Stock Exchange.
- Subscription to the Issue by the Promoters and Promoter Group:**

The following Promoters and the Promoter Group of our Company through their letters dated June 8, 2017 (the "**Subscription Letters**") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

- Dr. Himanshu C. Patel;
- Ms. Anar H. Patel;
- Mr. Nirmal H. Patel

Further, the Promoters and Promoter Group may also apply for Additional Rights Equity Shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Rights 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 Rights Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Regulations. The members of the Promoters 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 in the Regulation 38 of SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled “*Objects of the Issue*” beginning on page 50 of this 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 Promoters and / or the members of our Promoter Group, the shareholding of our Promoters and / or Promoter Group in our Company exceeds their current shareholding.

6. The present Issue being a rights issue, as per regulation 34(c) of the ICDR Regulations, the requirements of promoters’ contribution and lock-in are not applicable.
7. All the Equity Shares are fully paid-up as on the date of this Letter of Offer, there are no partly paid up Equity Shares.
8. The ex-rights price arrived in accordance with Clause 4(b) of Regulation 10 of the SEBI Takeover Regulations in connection with the Issue is ₹ 121.06.

9. Shareholding Pattern of our Company

A. Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchanges

(i) The shareholding pattern of the Equity Shares of our Company as on June 30, 2017, is as follows:

Cate gory (I)	Category of sharehold er (II)	No. of shareh olders (III)	No. of fully paid up equity shares held (IV)	No. of part ly paid up equi ty shar es held (V)	No. of shar es und erly ing dep osito ry rece ipts (VI)	Total no. of shares held (VII) = (IV)+ (V)+(VI)	Shareh olding as a % of total no. of shares (calcul ated as per SCRR, 1957) (VIII) As a % of (A+B+ C2)	No. of voting rights held in each class of securities (IX)				No. of shares underly ing outstan ding converti ble securitie s (includi ng warrant s) (X)	Sharehold ing as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+ (X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerial ized form (XIV)
								Number of voting rights			Total as a % of (A+B+ C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Eg X	Cl ass Eg Y	Total								
(A)	Promoters & Promoter group	3	45,77,050	-	-	45,77,050	38.98	45,77,050	-	45,77,050	38.98	-	38.98	-	-	-	-	45,77,050
(B)	Public	2,500	71,64,746	-	-	71,64,746	61.02	71,64,746	-	71,64,746	61.02	-	61.02	27,00,030	37.68	-	-	68,59,409
(C)	Non- Promoter- Non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlyin g DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	2,503	1,17,41,796	-	-	1,17,41,796	100.00	1,17,41,796	-	1,17,41,796	100.00	-	100.00	27,00,030	23.00	-	-	1,14,36,459

(ii) Statement showing shareholding pattern of our Promoters and Promoter Group as on June 30, 2017:

Category (I)	Category of shareholder (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying deposit receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No. of voting rights held in each class of securities (IX)				No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered * (XIII)		No. of equity shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Eg X	Class Eg Y	Total								
(1)	Indian																	
(a)	Individuals / Hindu undivided Family	3	45,77,050	-	-	45,77,050	38.98	45,77,050	-	45,77,050	38.98	-	38.98	-	-	-	-	45,77,050
(i)	Dr. Himanshu C. Patel	1	17,33,040	-	-	17,33,040	14.76	17,33,040	-	17,33,040	14.76	-	14.76	-	-	-	-	17,33,040
(ii)	Ms. Anar H. Patel	1	25,48,126	-	-	25,48,126	21.70	25,48,126	-	25,48,126	21.70	-	21.70	-	-	-	-	25,48,126
(iii)	Mr. Nirmal H. Patel	1	2,95,884	-	-	2,95,884	2.52	2,95,884	-	2,95,884	2.52	-	2.52	-	-	-	-	2,95,884
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	3	45,77,050	-	-	45,77,050	38.98	45,77,050	-	45,77,050	38.98	-	38.98	-	-	-	-	45,77,050
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2)	3	45,77,050	-	-	45,77,050	38.98	45,77,050	-	45,77,050	38.98	-	38.98	-	-	-	-	45,77,050

(iii) Statement showing holding of specified securities of public shareholders in our Company as of June 30, 2017:

	Category & name of shareholder (I)	No. of share holders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) VIII	No. of voting rights held in each class of securities (IX)				No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		No. of equity shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Eg X	Class Eg Y	Total								
1	Institutions																	
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident funds / Pension funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Central government / State government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category & name of shareholder (I)	No. of share holders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) VIII	No. of voting rights held in each class of securities (IX)			No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		No. of equity shares held in dematerialized form (XIV)	
								Number of voting rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class Eg X	Class Eg Y	Total								
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Non-Institutions																	
(a)	Individuals																	
	i. Individual shareholders holding nominal share capital upto ₹ 2 Lakh	2,316	14,77,696	-	-	14,77,696	12.58	14,77,696	-	14,77,696	12.58	-	12.58	-	-	-	-	11,72,559
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	10	29,96,186	-	-	29,96,186	25.52	29,96,186	-	29,96,186	25.52	-	25.52	27,00,030	90.12	-	-	29,96,186
	Mr. Charandeep Singh	1	13,50,020	-	-	13,50,020	11.50	13,50,020	-	13,50,020	11.50	-	11.50	13,50,020	100.00	-	-	13,50,020
	Mr. Varun Daga	1	13,50,010	-	-	13,50,010	11.50	13,50,010	-	13,50,010	11.50	-	11.50	13,50,010	100.00	-	-	13,50,010
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other (specify)	174	26,90,864	-	-	26,90,864	22.92	26,90,864	-	26,90,864	22.92	-	22.92	-	-	-	-	26,90,664
	NRI (Non-Repat)	13	8,970	-	-	8,970	0.08	8,970	-	8,970	0.08	-	0.08	-	-	-	-	8,770
	NRI (Repat)	14	22,516	-	-	22,516	0.19	22,516	-	22,516	0.19	-	0.19	-	-	-	-	22,516

Category & name of shareholder (I)	No. of share holders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) VIII	No. of voting rights held in each class of securities (IX)				No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		No. of equity shares held in dematerialized form (XIV)
							Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
							Class Eg X	Class Eg Y	Total								
Bodies Corporate	47	1,09,286	-	-	1,09,286	0.93	1,09,286	-	1,09,286	0.93	-	0.93	-	-	-	-	1,09,286
HUF	71	88,382	-	-	88,382	0.75	88,382	-	88,382	0.75	-	0.75	-	-	-	-	88,382
Overseas corporate bodies: V-S Holding B.V.	1	24,35,040	-	-	24,35,040	20.74	24,35,040	-	24,35,040	20.74	-	20.74	-	-	-	-	24,35,040
Clearing Members	28	26,670	-	-	26,670	0.23	26,670	-	26,670	0.23	-	0.23	-	-	-	-	26,670
Sub Total (B)(3)	2,500	71,64,746	-	-	71,64,746	61.02	71,64,746	-	71,64,746	61.02	-	61.02	27,00,030	37.68	-	-	68,59,409
Total public shareholding (B)= (B)(1)+(B)(2)+(B)(3)	2,500	71,64,746	-	-	71,64,746	61.02	71,64,746	-	71,64,746	61.02	-	61.02	27,00,030	37.68	-	-	68,59,409
Details of the shareholders acting as persons in concert including their shareholding (No. and %): NIL																	
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat / unclaimed suspense account, voting rights which are frozen etc.																	
Note: 1. *The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI Takeover Regulations. 2. ** The details of the Shareholders holding more than 1% of the share capital of the Company are as disclosed above.																	

10. Our Company had issued 27,00,000 Equity Warrants on preferential basis pursuant to special resolution dated December 12, 2015 to persons other than Promoters, Directors and KMP of the Company. The brief details are as follows:

Sr. No.	Particulars	Details	
1.	No. of Equity Warrants Issued	27,00,000 Equity Warrants	
2.	Date of allotment of Equity Warrants	December 12, 2015	
3.	Tenure of Equity Warrants	18 months from the date of allotment of Equity Warrants	
4.	Price of Equity Warrants	₹ 60/- (including premium of ₹ 50/- per Equity Warrant).	
5.	Conversion terms	Each Equity Warrant convertible into one Equity Share of ₹ 10/- each at a price of ₹ 60/- (including premium of ₹ 50/- per Equity Share).	
6.	Date of conversion of Equity Warrants into Equity Shares	March 14, 2017	
7.	Number of Equity Shares issue	27,00,000 Equity Shares	
8.	Date of Listing and trading of such Equity Shares	27,00,000 Equity Shares are listed and have been permitted to trade on the BSE and ASE with effect from April 06, 2017 and April 10, 2017 respectively.	
9.	Object of the preferential issue and utilization of the issue proceeds: The details of the objects for the preferential issue and actual utilization of the issue proceeds is as under:		
Particulars		Original project cost	Actual project cost as implemented
Cost of Project:		(₹ In Lakh)	(₹ In Lakh)
i.	Land	On existing land	On existing land
ii.	Building	On existing building	On existing building
iii.	Capital expenditure for Plant & Machineries:		
	a) To manufacture I.V. Fluid in 500 ml Eurohead bottles along with automated packing line [#]	2,000.00	1,520.00
	b) For retrofitting existing machines to enable mold changes to manufacture 100 ml bottle on the same machines which manufactures 500 ml bottles ^{##}	80.00	Nil
iv.	Margin for additional working capital	300.00	300.00
	Total	2,380.00	1820.00
Means of Finance^{\$}			
i.	Equity Warrants / Equity Share Capital including Premium	1,620.00	1,620.00
ii.	Internal Accruals	200.00	200.00
iii.	Term Loan	560.00	Nil
	Total	2,380.00	1,820.00
10.	Status of the capital expansion project	The issue proceeds of the preferential issue have been fully utilized for the purpose for which they were raised and the capacity expansion has since been completed and the production has commenced.	

[#] The Company has completed the capacity expansion project with manual packing line and did not opt for the automated packing line. This change in the capacity expansion project has resulted in the reduction of the capital expenditure to ₹ 1,520 Lakh from ₹ 2,000 Lakh as originally envisaged.

^{##} The Company has not proceeded with retrofitting the existing machines to enable mold changes.

^{\$} The proceeds of ₹ 1,620 Lakh from the preferential issue were partly utilized to meet the capital expenditure of ₹ 1,520 Lakh and partly towards working capital of ₹ 100 Lakh. Further, the balance working capital of ₹ 200 Lakh was met out of internal accrual. Hence, the Company did not avail any Term Loan for this capacity expansion from the Bank.

OBJECTS OF THE ISSUE

The proceeds of the Issue, after deducting the Issue related expenses (the “**Net Proceeds**”), are estimated to be approximately ₹ **1,748.29** Lakh.

The Net Proceeds of the Issue are proposed to be deployed for financing the following objects:

1. To undertake an expansion of the existing facility to manufacture LVP in Eurohead bottles;
2. General Corporate Purposes.

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

The main object clause and objects incidental or ancillary to the main object clause of the Memorandum of Association of our Company permits our Company to undertake the existing activities and the activities for which the funds are being raised through the present issue. Further, we confirm that the activities we have been carrying on until now are in accordance with the objects clause of our Memorandum of Association.

Details of Net Proceeds of the Issue

			(₹ In Lakh)
Sr. No.	Description	Amount	
1.	Gross Proceeds of the Issue	1,793.29	
2.	(Less) Issue related Expenses	(45.00)	
3.	Net Proceeds of the Issue	1,748.29	

Utilization of Net Proceeds of the Issue

We intend to utilize the Net Proceeds of the Issue as per the manner set forth in the table below:

					(₹ In Lakh)
Sr. No.	Particulars of Object	Total Estimated Cost	Amount deployed as on July 31, 2017	Amount to be funded from Net Proceeds	
1	To undertake the expansion of the existing facility to manufacture LVP in Eurohead bottles	1,424.16*	NIL	1,424.16*	
2	General Corporate Purposes	324.13	NIL	324.13	
	Total	1,748.29	NIL	1,748.29	

**The quotations / proposals from foreign companies quoted in USD assuming an exchange rate of 1 USD = ₹ 63.87 (As on the date of the last quotation i.e. August 28, 2017). The estimated cost mentioned above may undergo a modification due to exchange rate fluctuation.*

Our funding requirements and the deployment of the Net Proceeds is based on internal management estimates and has not been appraised by any bank, financial institution or any other external agency. These are based on current conditions and are subject to change in light of changes in external circumstances, costs, other financial conditions, business or strategy.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purpose for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals, cash flow from our operations and / or debt, as required. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt from existing and future lenders. In the event that the estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Deployment of Funds

As on July 31, 2017, our Company has not deployed any amount towards the total cost of project, which is certified by Shah & Shah Associates, Chartered Accountants, vide their Certificate dated September 6, 2017.

Proposed Deployment of Net Proceeds of the Issue

Our Company proposes to deploy the Net Proceeds towards the above stated Objects partially during F. Y. 2017-18 and remaining in FY 2018-19, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event estimated utilization out of the Net Proceeds of the Issue in any given financial year is not completely met, the same shall be utilized in the next financial year. Our Company proposes to deploy the Net Proceeds as follows:

(₹ In Lakh)					
Sr. No.	Particulars	Funds required	Funds already deployed till July 31, 2017	Funds proposed to be deployed in FY 2017-18	Funds proposed to be deployed in FY 2018-19
1	Civil Construction	174.00	NIL	174.00	NIL
2	Plant and Machinery	1,075.24	NIL	852.57	222.67
3	Provision for Contingencies	124.92	NIL	124.92	NIL
4	Preliminary & Preoperative Expenses	50.00	NIL	50.00	NIL
5	General Corporate Purposes	324.13	NIL	324.13	NIL
Total		1,748.29	NIL	1,525.62	222.67

Details of Objects of the Issue

1. To undertake the expansion of the existing facility to manufacture LVP in Eurohead bottles

Our Company manufactures LVP with varied volumes in glass bottles and plastic bottles, through the BFS technology as well as LVP in Eurohead bottles with volume of 500 ML, through the ISBM technology. The addition of LVP in Eurohead bottles with volume of 500 ML, through the ISBM technology, was carried out through an expansion of the existing facility during FY 2013-14 and FY 2014-15.

Further, our Company had undertaken capacity expansion to manufacture I.V.F. in 500 ml Eurohead bottles with manual packing line during the FY 2016-17 at a cost of ₹ 1,520 Lakh and investment towards margin for working capital for ₹ 300 Lakh. The said expenditure was met out of the proceeds from the preferential issue of Equity Warrants and through internal accruals. For further details, please refer chapter titled “Capital Structure” beginning on page 42 of this Letter of Offer.

The current expansion of the existing facility is to manufacture LVP in Eurohead bottles with a capacity of 100 ML and 500 ML, through the ISBM technology.

The ISBM technology has a distinct advantage over the BFS technology prevalent in the industry and gives a unique feature to the final product making it more compact, more transparent and ensuring that the liquid sterile injectable can be sterilized up to 121 degree Celsius, as recommended by EMEA. This product has an attached stopper which reduces leakages during administration and is superior in quality as compared to the BFS technology. The ISBM technology offers significant cost advantages in terms of low raw material consumption through high product yields.

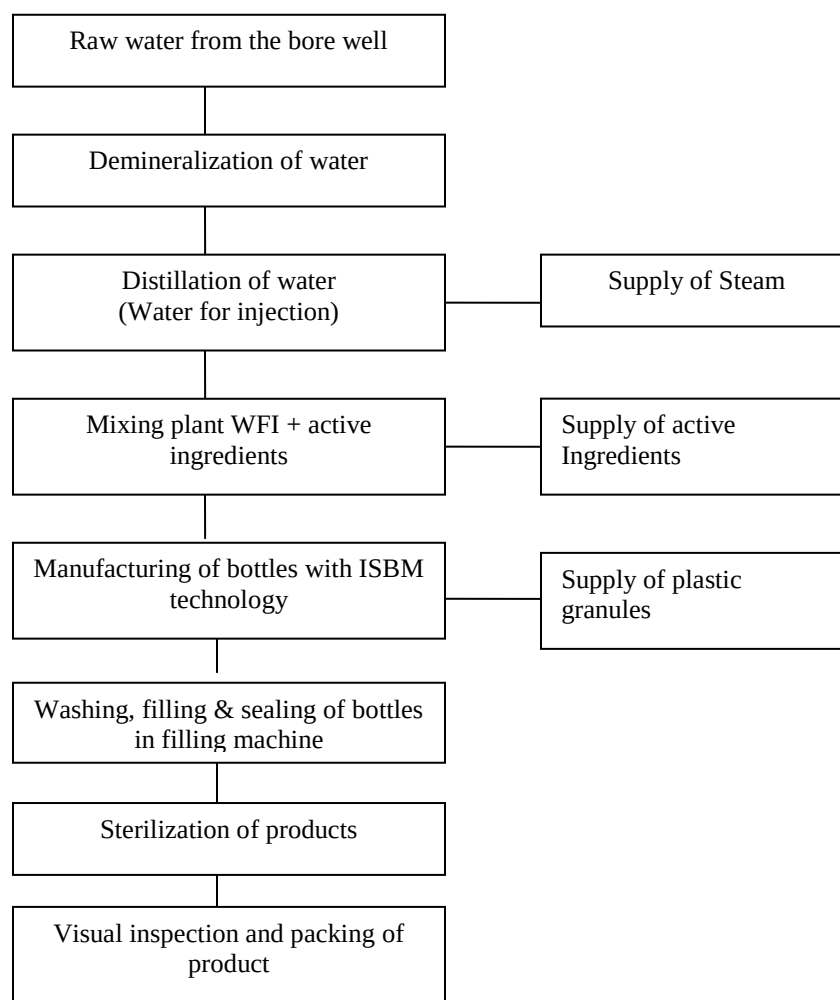
Proposed advantages of the expansion of the existing facility to manufacture LVP in Eurohead bottles

The project will utilise the existing resources as well as the existing infrastructure facilities for raw materials and for utilities like water and electricity, thereby leading to efficiency. The project is to primarily add a new product offering, i.e. LVP in Eurohead bottles with a capacity of 100 ML. The addition of LVP in Eurohead bottles with a capacity of 100 ML would augment our existing product range as we are already manufacturing LVP in Eurohead bottles with a capacity of 500 ML. Currently, there is an existing market demand for LVP in Eurohead bottles with a

capacity of 100 ML, but there are limited players in the domestic market with a significant supply of this product. By adding this product to our current product offering, we would be able to effectively compete with such players.

Production Process

The existing and proposed production process to manufacture LVP in Eurohead bottles is as below:



The break-up of the project cost is given hereunder:

		(₹In Lakh)
Sr. No.	Particulars	Amount
I	Land	NIL
II	Civil Construction	174.00
III	Plant and Machinery	
(a)	Imported Machineries	414.71
(b)	Indigenous Machineries	660.53
IV	Provision for Contingencies	124.92
V	Preliminary & Preoperative Expenses	50.00
	Total	1,424.16

The break-up of the estimated cost of expansion plan is given hereunder:

I. Land

As on the date of this Letter of Offer, our Company owns non-agriculture land aggregating to 31,454 square meters, which consists of two adjoining plots viz. plot number 457 admeasuring 14,154 square meters and plot number 460 admeasuring 17,300 square meters at Village-Chhatral, Sub-district Kalol, Gandhinagar District, Gujarat, India. The said land is a freehold and is well connected by road, rail and port.

We intend to utilize our existing buildings to add on the new required facilities. Therefore, our Company does not propose to incur any expenditure on acquisition of land for the proposed expansion project.

II. Civil Construction

Our Company plans to use existing buildings to house the machineries. Our Company proposes to add the finished goods storage capacity to the existing units and also undertake minor modifications to fit in the new machineries into the existing buildings. The estimate of various works is as given below. The details of civil work and structures to be built for expansion facilities are as under:

				(₹ In Lakh)
Sr. No.	Nature of work	Area (Square Metres)	Estimated Cost Per Square Metre	Total Estimated Cost
1.	Proposed bottle storage plant at ground floor with RCC slab (30.0 x 15.0 x 5.0) in the existing buildings	450.00	13,000	58.50
2.	Removing & re-fixing existing roof with new pre coated sheets	450.00	12,000	54.00
3.	Civil work for goods lift	36.00	10,000	3.60
4.	Modification in existing building & fuel shed	-	-	14.00
5.	Bottle cutting room	27.00	8,000	2.16
6.	New diesel generator shed & foundation	50.00	12,000	6.00
7.	MS tank platform	-	-	1.25
8.	New entrance gate	15.00	3,500	0.53
9.	Contingency			7.00
	Sub Total			147.04
	GST @ 18%			26.47
	Total (Rounded off)			174.00

(Source: Estimates by SMPS Consultants LLP dated August 29, 2017 and management estimation letter dated September 6, 2017)

The civil work and structure work includes earth work, plain and reinforced cement work, masonry work, plastering & pointing, water proofing, flooring, paving & floor finishing, steel structural work, doors & windows, plumbing and sanitary, RCC road work, effluent treatment, civil work, etc.

III. Plant and Machinery

For the expansion plan, we propose to import plant and machineries costing approximately ₹ 414.71 Lakh as well as procure indigenous machineries costing approximately ₹ 660.53 Lakh which includes cost of machines, cost of transportation, freight, insurance, customs duty, additional customs duty, Goods and Service Tax (GST), cost of erection and commissioning:

(a) Imported Plant and Machineries

Plant and Machinery	Name of Supplier	Amount (USD)*	Amount (₹ In Lakh)	Quotation Date
Bottle Blowing Machine (ISBM)	Shanghai IVEN Pharmatech Engineering Company Limited	2,60,900	227.60	August 25, 2017
Bottle Washing-Filling-Sealing Machine	Shanghai IVEN Pharmatech Engineering Company Limited	1,57,000	142.09	August 25, 2017
Injection Mold	Real Fortune Enterprises Limited	52,350	45.02	August 25, 2017
Total		4,70,250	414.71	

**FOB Price (Excluding taxes payable in ₹, Packing, Transport and other costs)*

(Source: Quotations received by our Company and management estimation letter dated September 6, 2017)

(b) Indigenous Plant and Machineries

			(₹ In Lakh)
Plant and Machinery	Name of Supplier	Amount	Quotation Date
Hot water spray sterilizer	Machinfabrik Industries Private Limited	126.45	August 28, 2017
Heating, ventilation and air conditioning	SMPS Consultants LLP	76.71	August 28, 2017
Electrical work	SMPS Consultants LLP	75.15	August 28, 2017
Diesel generator set	Supernova Engineers Limited	49.27	August 28, 2017
Injection moulding machine	Ferromatik Milacron India Private Limited	32.16	August 26, 2017
Clean room equipment	Revel Filters and Devices	28.53	August 28, 2017
Flow wrap machine	Uflex Limited	26.22	August 28, 2017
Water cooled screw chiller	Daikin Airconditioning India Private Limited	25.55	July 07, 2017
Modular panel work	SMPS Consultants LLP	24.36	August 28, 2017
High pressure air compressor	Chicago Pneumatic Compressors	23.04	August 19, 2017
Utility piping	Mechzeal Interphasing Private Limited	21.65	August 28, 2017
Low pressure air compressor	Excel Pneumatics	20.67	August 28, 2017
Effluent Treatment Plant	Thinkgreen Envirotech Private Limited	18.53	August 28, 2017
Mixing tank	Mechzeal Interphasing Private Limited	17.38	August 28, 2017
SS pallet	M. M. Steel Engineering	13.94	August 26, 2017
Conveying system, conveyor belt, hopper loader and water chiller	NU-VU Conair Private Limited	12.02	August 26, 2017
WFI storage tank	Mechzeal Interphasing Private Limited	11.04	August 28, 2017

Plant and Machinery	Name of Supplier	Amount	Quotation Date
MS pallet	M. M. Steel Engineering	10.62	August 26, 2017
Goods lift	SMPS Consultants LLP	9.44	August 28, 2017
Water pump	Aquatics	7.99	August 26, 2017
Horizontal plates filter press	Pharmalab India Private Limited	6.20	August 28, 2017
Automatic self-adhesive top labelling	J. P. Marketing	6.12	August 26, 2017
Cooling tower (Sterilizer)	Artech Cooling Towers Private Limited	4.03	August 26, 2017
Cooling tower (Chilling plant)	Artech Cooling Towers Private Limited	3.60	August 26, 2017
Leak testing machine	Boss Packaging Solutions Private Limited	3.16	August 28, 2017
Bottle visual inspection machine	J. P. Marketing	2.77	August 26, 2017
Packing conveyor belt	J. P. Marketing	1.72	August 26, 2017
Centrifugal pump	Fristam Pumps (India) Private Limited	1.27	August 26, 2017
Furniture	M. M. Steel Engineering	0.94	August 28, 2017
Total		660.53	

(Source: Quotations received by our Company and management estimation letter dated September 6, 2017)

IV. Provision for Contingencies

Provision for contingency on account of exchange fluctuations, increase in prices of plant and machinery due to implementation of GST or other extraneous factors, civil construction, transportation costs, input materials and other contingencies have been provided as ₹ 124.92 Lakh, at about 10.00 % of ₹ 1,249.24 Lakh, i.e. the total estimated project cost before incorporating the provision for contingencies and the preliminary and preoperative expenditure.

(Source: Certified by the Company vide management estimation letter dated September 6, 2017)

V. Preliminary and Preoperative Expenditure

Provision for preliminary and preoperative expenditure related to international site visits for vendor finalisation and other incidental sundry expenditure as may be incurred in relation to the project, has been provided as ₹ 50.00 Lakh.

(Source: Certified by the Company vide management estimation letter dated September 6, 2017)

Schedule of Implementation

Our Company shall implement the entire expansion plan in a single phase, in the manner as described below:

Sr. No.	Schedule of Activities	Expected Date of Commencement	Expected Date of Completion
1	Civil Works	October 2017	March 2018
2	Plant and Machineries (Indian)	September 2017	April 2018
3	Plant and Machineries (Imported)	October 2017	March 2018
4	Trial Production	April 1, 2018	April 15, 2018
5	Commercial Production	April 15, 2018	

2. General Corporate Purposes

Our Board will have flexibility in applying the balance amount, aggregating to ₹ 324.13 Lakh, towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds of the Issue, including, meeting our working capital requirements, routine capital expenditure, funding our growth opportunities and strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance, and the payment of taxes and duties, and meeting of exigencies which our Company may face in course of business. We may also reschedule the proposed utilization of Net Proceeds and increase or decrease expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

If the actual utilization earmarked for the Objects is lower than the proposed deployment then such balance of the Net Proceeds of the Issue would be used for future growth opportunities including general corporate purposes but not restricted to meeting expenditure towards strategic initiatives, brand building exercises, strengthening of our marketing capabilities, meeting exigencies and / or any other purposes as approved by our Board.

Our Company undertakes that the expenses related to general corporate purposes shall not exceed 25% of the amount raised by our Company through this Rights Issue as specified under Regulation 4 (4) of SEBI ICDR Regulations. Further, any expenses related to the Issue will not be considered as a part of general corporate purpose as required under Regulation 2 (1) (na) of SEBI (ICDR) Regulations.

Means of Finance

We propose to meet our expenditure towards the Objects of the Issue entirely out of the proceeds of the Issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause (VII) (D) of Part E of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed issue and existing identifiable internal accruals) does not apply. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt from existing and or other lenders.

Bridge Financing Facilities

We have not raised any bridge financing facilities from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Interim Use of Funds

Pending utilization for the purposes described above, we intend to temporarily deposit the funds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for used for buying, trading or otherwise dealing in equity shares of any other listed company.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ 45.00 Lakh. The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The break-up of estimated Issue related expenses are as follows:

Particulars	Estimated Expenses (₹ in Lakh)	% of Estimated Issue Size	% of Estimated Issue expenses
Fees of Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Auditors, Bankers	29.00	1.62	64.45
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	7.58	0.42	16.83
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	8.42	0.47	18.72

Particulars	Estimated Expenses (₹ in Lakh)	% of Estimated Issue Size	% of Estimated Issue expenses
Total estimated Issue expenses	45.00	2.51	100.00

Monitoring Utilization of Funds from the Issue

As the proceeds from the Issue are less than ₹10,000 lakh, in terms of Regulation 16(1) of the 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 Regulation 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 Letter of Offer and place it before the audit committee. The said disclosure shall be made till such time that the full proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory 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 Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulation 33 of the SEBI Listing Regulations and will 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.

Appraisal of the Objects

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

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Managerial Personnel and members of our Promoter Group or Group Entities, except in the ordinary course of business.

Additionally, we further confirm that the amount raised by our Company through the Issue shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company by our Company.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Denis Chem Lab Limited
457, Village: Chhatral, Mehsana Highway,
Ta: Kalol (N.G.), Dist: Gandhinagar,
Gandhi Nagar, Gujarat 382721

Dear Sirs,

Sub.: Statement of possible Direct Tax Benefits available in connection with proposed Rights Issue of Equity Shares ("the Issue") of DENIS CHEM LAB LIMITED ("the Company")

We report that the enclosed statement states the possible direct tax (viz. under the Indian Income Tax Act, 1961) benefits available to the Company or its shareholders under the current direct tax law referred to above, 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 Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to 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 Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we 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 the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in offer documents in relation to the Issue and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time. No assurance is given that the revenue authorities/courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes.

The views are exclusively for the use of the Company and shall not, without our prior written consent, be disclosed to any other person, except to the extent disclosure is otherwise permitted by the terms of our engagement.

Thanking you,

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
Firm Regn. No. 113742W

Place : Ahmedabad.
Date : 14th May, 2017

NIMISH B. SHAH
PARTNER
Membership No. 30102

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO DENIS CHEM LAB LIMITED (“THE COMPANY”) AND TO ITS SHAREHOLDERS

1. Under the Income-tax Act, 1961 (“the Act / IT Act”)

I. Special tax benefits available to the Company

There are no special tax benefits available under the Act to the Company.

II. General tax benefits available to Companies

- i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax (“MAT”) liability.
- ii) As per section 10(34A) of the Act, any income arising to the company in the capacity of shareholder on account of buy back of shares (not being listed on recognized stock exchange) by the other company as referred to in section 115QA is exempt from tax. Such income is to be excluded while computing Minimum Alternate Tax (“MAT”) liability.
- iii) As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
 - a) Income received in respect of the units of a Mutual Fund specified under clause (23D); or b) Income received in respect of units from the Administrator of the specified undertaking; or c) Income received in respect of units from the specified company: However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.
- iv) As per section 32(iia) of the Act the company is entitled to additional depreciation at the rate of 20% on actual cost of new plant or machinery subject to conditions as prescribed over and above normal depreciation available under Act.
- v) Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital asset being share or any other security listed on a recognized Stock Exchange in India or unit of Unit Trust of India or unit of a Mutual Fund (Equity Oriented) specified under section 10(23D) or a zero coupon bond held by the assessee for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains (“LTCG”). Capital gains arising on sale of these assets held for 12 months or less are considered as short term capital gains (“STCG”). In respect of any other capital asset, the holding period should exceed 36 months to be considered as long term capital asset except in case of share of a company (not being share listed on recognized stock exchange in India) wherein the holding period should exceed 24 months to be considered as long term capital asset.
- vi) As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- vii) As per section 10(38) of the Act, LTCG arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or unit of a business trust where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax (“STT”) will be exempt in the hands of the Company. Provided also that nothing contained in this clause shall apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1st day of October, 2004 and such transaction is not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004.

However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the Act.

- viii) In accordance with section 112 of the Act, LTCG to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
- ix) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" 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 / conversion.
- x) As per section 111A of the Act, STCG arising to the Company from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- xi) As per section 70 read with section 74 of the IT Act, Short Term Capital Loss ("STCL") computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long term capital loss ("LTCL") computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.
- xii) Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.
- xiii) Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to the provisions of section 72(2) and section 73(3) of the Act.
- xiv) As per section 115JAA of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond fifteenth assessment year immediately succeeding the assessment year in which tax credit become allowable.
- xv) As per section 80JJAA, an assessee to whom section 44AB applies, shall be eligible for a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the previous year, for 3 assessment years subject to conditions stipulated in the new section 80 JJAA.

The law stated below is as per the Income-tax Act, 1961 as amended by the Finance - Act, 2017 and on the assumption that the Equity Shares would not be held by the shareholders as stock-in-trade.

III. General tax benefits available to Resident Shareholders

- i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. As per the Finance Act 2016, income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10% plus applicable surcharge and cess.
- ii) As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- iii) As per section 10(38) of the Act, LTCG arising from the transfer of a long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT, will be exempt in the hands of the shareholder.
- iv) In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation
- v) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" 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 / conversion.
- vi) As per section 54F of the Act, LTCG in cases not covered under section 10(38) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family (HUF) subject to conditions specified therein will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two year after the date of transfer or to be constructed within three years after the date of transfer.
- vii) As per section 111A of the Act, STCG arising from the sale of equity shares of the company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- viii) As per section 70 read with section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long term capital loss not covered under section 10(38) computed for a given year is allowed to be set off only

against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

- ix) No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

IV. General tax benefits available to Non-Resident Shareholders (Other than Foreign Institutional Investors ("FII's") / Foreign Portfolio Investors ("FPI's"))

- i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax.
- ii) As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
- iii) As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT, will be exempt in the hands of the shareholder.
- iv) As per section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to the first proviso to section 48 of the Act. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- v) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956 or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" 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 / conversion.
- vi) As per section 54F of the Act, LTCG (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) subject to conditions specified therein will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.
- vii) As per section 111A of the Act, STCG arising from the sale of equity shares of the Company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- viii) As per section 70 read with section 74 of the IT Act, STCL computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the LTCL not covered under section 10

(38); computed for a given year is allowed to be set off only against the LTCG for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

- ix) In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident shall also be required to provide such other information, as has been notified.
- x) As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a foreign company, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income.

V. Special tax benefits available to Non-Resident Indians

- i) As per section 115C(e) of the Act, the term “non-resident Indians” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
- ii) As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
- iii) As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- iv) As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- v) As per section 115H of the Act, where non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are transferred to converted into money.

- vi) As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of “Chapter XII-A – Special Provisions Relating to Certain Incomes of Non-Residents” for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.
- vii) In a situation where the shareholder transfers the shares of the Company, which are held as ‘long-term capital assets’ and such transaction is not covered by the provisions of section 10(38) of the Act as referred to earlier, the shareholder can consider availing the benefit as provided in section 54F of the Act. Shareholders being individuals can consider the conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.
- viii) In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident Indian, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident Indian shall also be required to provide such other information, as has been notified.

VI. Benefits available to FIIs / FPIs Special tax benefits

- i) Under section 115AD(1)(ii) of the IT Act, income by way of STCG arising to the FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and education cess. Under Section 115AD(1)(iii) of the IT Act income by way of LTCG arising from the transfer of shares (in cases not covered under Section 10(38) of the IT Act) held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs. Further, for the purposes of section 115AD, FPIs would get similar treatment as available to FIIs.
- ii) As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
- iii) In respect of FIIs and FPIs, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FIIs/FPIs is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the non-resident shall be required to provide such other information, as has been notified.
- iv) As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a FII, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income. 4. As per section 2(14) of the Act, any securities held by a FII / FPI which has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a FII / FPI would be treated in the nature of capital gains.

VII. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income Tax Act 1961 including amendments as set out in the Finance Act 2017 (FA).
2. As per the FA, surcharge is to be levied on individuals, HUF, AOP, Body of Individuals and artificial juridical person, at the rate of 15% if their total income exceeds Rs 1 Crore; and in case of Firm, Co-operative Society and Local Authority at the rate of 12% if their total income exceeds Rs. 1 Crore.
3. Surcharge is levied on domestic companies at the rate of 7% where the income exceeds Rs. 1 crore but does not exceed Rs 10 crores and at the rate of 12% where the income exceeds Rs. 10 crores.
4. Surcharge is levied on every company other than domestic company at the rate of 2% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 5% where the income exceeds Rs. 10 crores.
5. A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.
6. 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.
7. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
10. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the FA.

Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions. The benefits discussed above 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 issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

SECTION IV – OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (three) and not more than 15 (fifteen) Directors on our Board of Directors. The following table sets forth certain details regarding the Board of Directors as on date of this Letter of Offer:

Currently, our Company has 6 (six) Directors out of which 3 (three) are Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the Listing Agreement and the norms of the code of corporate governance as applicable to listed companies in India.

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (years)	Other Directorships
1.	Mr. Dinesh B. Patel Address: Vrindavan, Behind Atira, Near Manali Apartments, Dr. V.S. Road, Ahmedabad - 380009, Gujarat, India. Designation: Non-Executive Chairman Occupation: Business DIN: 00171089 Date of appointment: April 25, 2007 Term: Liable to retire by rotation Nationality: Indian	83	1. Sintex Industries Limited 2. Sintex Plastics Technology Limited
2.	Dr. Himanshu C. Patel Address: 2, Ashwamegh Society, Number IV, Satellite Ring Road, Ahmedabad - 380015, Gujarat, India. Designation: Managing Director (Executive Director) Occupation: Business DIN: 00087114 Date of appointment: May 23, 1981 Term: For a period of 3 year from August 1, 2017* Nationality: Indian	63	1. Vadan Marketing Private Limited
3.	Ms. Anar H. Patel Address: 2, Ashwamegh Society, Number IV, Satellite Ring Road, Ahmedabad - 380015, Gujarat, India. Designation: Non-Executive and Non- Independent Director Occupation: Business DIN: 01335025 Date of appointment: March 30,1998	57	1. Vadan Marketing Private Limited

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (years)	Other Directorships
	Term: Liable to retire by rotation		
	Nationality: Indian		
4.	Mr. Gaurang K. Dalal Address: 3, Ashani Society, Near Darbar Hotel, Jodhpur Tekra Road, Ahmedabad - 380053, Gujarat, India. Designation: Non-Executive and Independent Director Occupation: Medical Practice DIN: 00040924 Date of appointment: November 1, 2007 Term: For a period of 5 year from September 29, 2014 Nationality: Indian	65	1. Sayaji Industries Limited 2. Samridhi Holding Private Limited 3. Saubhagya Investors And Dealers Private Limited 4. Narmada Fintrade Private Limited
5.	Mr. Janak G. Nanavaty Address: Gunjan, Near Manekbaug Hall, Polytechnic, Ahmedabad - 380015, Gujarat, India. Designation: Non-Executive and Independent Director Occupation: Industrialist DIN: 00472925 Date of appointment: October 29, 2012 Term: For a period of 5 year from September 29, 2014 Nationality: Indian	62	1. Santaram Spinners Limited 2. Urja Products Private Limited 3. Mihikita Enterprises Limited
6.	Ms. Gauri S. Trivedi Address: 5 / B, Mamta Park Society, Behind Navgujarat College, Ashram Road, Ahmedabad – 380014, Gujarat, India. Designation: Non-Executive and Independent Director Occupation: Business and Economic Consultant DIN: 06502788 Date of appointment: January 27, 2014 Term: For a period of 5 year from September 29, 2014 Nationality: Indian	57	1. NTPC Limited 2. Bajaj Energy Limited 3. Cue Strategic Inputs Private Limited 4. Sintex Plastics Technology Limited

* Dr. Himanshu C. Patel was re-appointed as Managing Director of the Company, not liable to retire by rotation, for a period of three years with effect from 1st August, 2017 to 31st July, 2020 by Board of Directors at its meeting held on July 27, 2017, subject to approval of shareholders in next General Meeting of the Company.

Relationship between Directors

Except stated below, none of our directors are related to each other:

Sr. No.	Name of Director	Designation	Relationship with other Directors
1.	Mr. Dinesh B. Patel	Non-Executive Chairman	Father of Ms. Anar H. Patel
2.	Dr. Himanshu C. Patel	Managing Director	Spouse of Ms. Anar H. Patel
3.	Ms. Anar H. Patel	Director	Daughter of Mr. Dinesh B. Patel and Spouse of Dr. Himanshu C. Patel

Brief Profiles of Directors

Mr. Dinesh B. Patel, aged 83 years, is a Non-executive chairman of our Company. He holds a degree of Bachelor of Science from Bombay University. He has experience of more than 6 (six) decades in textiles, plastics and pharmaceutical industry.

Dr. Himanshu C. Patel, aged 63 years, is the Managing director of our Company. He holds a degree of Bachelor of Engineering (Mechanical Branch) from Bombay University in the year 1976. Thereafter he went to the USA for further studies and completed his Master of Science in Mechanical Engineering and Doctor of Philosophy from Colombia University, New York, USA in the year 1978 and 1983 respectively. He has almost 3 decades of experience in the pharmaceuticals industry. He has extensively travelled across USA, Europe, Japan and China for business development and technology import. He presently takes care of purchase, business development and materials management. He also oversees day-to-day affairs of our Company.

Ms. Anar H. Patel, aged 57 years, is a Non-executive and Non Independent Director of our Company. She holds a degree of Bachelor of Arts from Gujarat University. She has an experience of more than 2 (two) decades in company administration. She provides her valuable insights and guidance to our Company with regard to its administration.

Dr. Gaurang Dalal, aged 65 years, is a Non-executive and Independent Director of our Company. He holds a degree of Bachelor of Medicine and Bachelor of Surgery and is a practicing physician in Ahmedabad. He has experience of more than 3 (three) decades in pharmaceutical industry in India. He guides our Company in launch of new products in the market.

Mr. Janak Nanavaty, aged 62 years, is a Non-executive and Independent Director of our Company. He is a Commerce graduate and holds a degree of Master of Business Administration from B. K. School of Management, Ahmedabad. He guides the management of our Company in the area of analysis of market potential and requirement of development of new products.

Ms. Gauri S. Trivedi, aged 57 years, holds a Doctorate in Philosophy in governance studies. She is a retired officer of the Indian Administrative Services. She has successfully completed a post graduate programme in Public Policy Management from Indian Institute of Management, Bangalore and is a guest faculty in governance studies in Indian Institute of Management, Sardar Patel Institute of Public Administration and CEPT University. She has held several important positions in both central and state government departments and public sector undertakings. She has also worked with Reliance Retail Limited as Vice President and led the group's foray into rural Gujarat. She advises our Company with regard to administration and other regulatory issues.

Confirmations

None of the Directors is or was a director of any listed company in India during the last five years preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on the BSE Limited and the National Stock Exchange of India Limited during the term of their directorship in such company, except as below:

Mr. Janak Nanavaty was the Director of Satellite Engineering Limited, whose shares have been suspended from being traded on the BSE. The relevant details in this regard are as follows:

- Listed on: BSE
- Date of Suspension on stock exchange: The company was suspended on March 10, 2008 and pursuant to the notice no. 20130903-17 dated September 3, 2013, the said suspension was revoked with effect from September 10, 2013. Further the company was again suspended on May 15, 2015.
- Suspended for more than three months: Yes (Non Compliance with listing agreement)
- Whether suspension revoked: No
- Date and Term of Directors in the above company: Mr. Janak Nanavaty was a Director of Satellite Engineering Limited from October 23, 2000 till February 14, 2013.

Further, none of our Directors is or was a director of any listed company which has been or was delisted from the stock exchanges, except as below:

Mr. Dinesh B. Patel is the Non-Executive Chairman of Sintex Industries Limited which was delisted from the ASE. The relevant details in this regard are as follows:

- Currently listed on: BSE and NSE
- Delisted from: ASE
- Date of delisting: August 26, 2013
- Nature of delisting: Voluntary
- Reasons for delisting: Lack of trading
- Whether relisted: No
- Term of Directors in the company: Mr. Dinesh B. Patel has been a Non-Executive Chairman of Sintex Industries Limited since August 25, 1972.

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 in the Board.

Details of Service Contracts for providing benefits upon termination

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of their employment.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Audited Financial Statements for the financial year ended March 31, 2017	71-100

INDEPENDENT AUDITORS' REPORT

To,

The Members of
DENIS CHEM LAB LIMITED

Report on the Financial Statements:

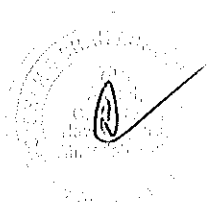
We have audited the accompanying financial statements of **DENIS CHEM LAB LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss, the Cash Flows Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

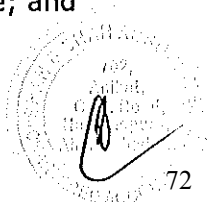
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2017;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and



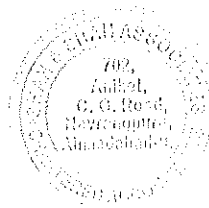
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flows Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements.
 - ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv) The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. – Refer Note 27(k).

Place : Ahmedabad.
Date : 26th May, 2017



For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
Firm Regn. No. 113742W

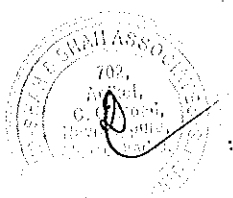
NIMESH B. SHAH
PARTNER

Membership Number: 30102

**"Annexure A" to the Independent Auditors' Report of even date on the
Financial Statements of DENISH CHEM LAB LIMITED,**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

1. In respect of its fixed assets:
 - a) The Company is still in the process of compiling and preparing records showing full particulars, including quantitative details and situation off fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management at the end of the year. However in the absence of records of fixed assets; material discrepancies, if any could not be found on such verification the said fixed assets.
 - c) The title deeds of immovable properties are held in the name of the Company.
2. Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, raw materials & work-in-progress & stores & spares. In our opinion the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
3. The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of Investments made by the company and company has not given loans, guarantees and security.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant



provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable

6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. a) As per information and explanations given to us, the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable except for a sum of Rs. 1,27,42,493/- (since paid) for Service Tax. And Rs. 1,92,580/- Professional tax.
- b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute, except in case of excise duty and income tax, the details of which is as under:

Disputed liability in respect of	Dispute pending before	Financial Year	Amount involved (Rs.)
CST	Commissioner of Commercial Tax, (Appeals)	2005-06	74,41,721/-
VAT	Commissioner of Commercial Tax, (Appeals)	2005-06	5,93,005/-
CST	Commissioner of Commercial Tax, (Appeals)	2004-05	12,91,963/-
VAT	Commissioner of Commercial Tax, (Appeals)	2004-05	7,91,085/-
Income Tax	Commissioner of Income Tax, (Appeals)	2012-13	50,95,570/-
Income Tax	Commissioner of Income Tax, (Appeals)	2013-14	76,23,420/-
Income Tax(TDS)	Commissioner of Income Tax, (Appeals-TDS)	2014-15	35,98,576/-



8. In our opinion and according to the information and explanations given to us, the details of defaults in the repayment of borrowings to banks as at 31 March 2017 are given below:

Particulars of Dues to Banks	Amount of default of repayment (Rupees)	Period of default
Bank of India	33,48,128/-	From different period during the year.
	372,065/-	
Axis Bank	1,56,73,783/-	
	12,95,399/-	

9. The Company has not availed any loans/ borrowings from financial institutions, government and has not issued any debentures.
10. The company has not raised money by way of initial public offer or further public offer including debt instruments and term loans.
11. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
12. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Companies Act, 2013.
13. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the Company.
14. According to informations and explanations given to us, all transactions with related parties are in compliance of the provisions of section 177 and 188 of the Companies Act, 2013, the details of which have been disclosed in Note No 27(r) of the financial statements as required by the applicable accounting standard.

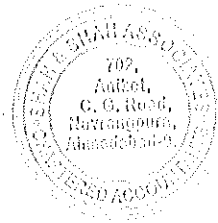


SHAH & SHAH ASSOCIATES
CHARTERED ACCOUNTANTS

702, ANIKET,
Nr. MUNICIPAL MARKET,
C.G. ROAD, NAVRANGPURA,
AHMEDABAD - 380 009.
PHONE: 26465433
FAX : 079 - 26406983
Email: ca@shahandshah.co.in

15. During the year, the Company has made preferential allotment of warrants to non promoters entities numbering 27,00,000 warrants @ 60.00 each total of Rs.1620.00 lacs were converted into equity shares. The company has complied with the requirement of section 42 of the Companies Act 2013 for the allotment of warrants/shares and has applied the funds received there from for the purpose for which the funds were raised.
16. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
17. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place : Ahmedabad.
Date : 26th May, 2017



For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
Firm Regn. No. 113742W

NIMISH B. SHAH
PARTNER
Membership Number: 30102

**"Annexure B" to the Independent Auditors' Report of even date on the
Financial Statements of DENIS CHEM LIMITED,**

Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of
Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of **DENIS CHEM LAB LIMITED**, ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

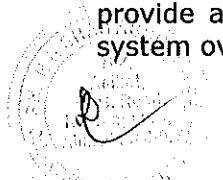
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, Issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both Issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN:113742W



NIMISH B. SHAH
PARTNER

Membership Number: 30102

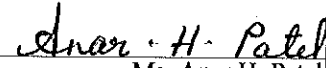
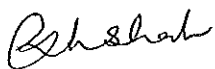
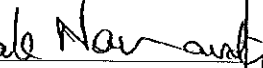
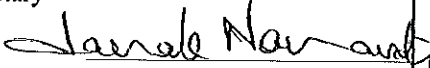
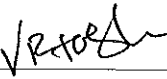
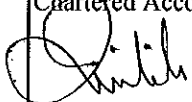
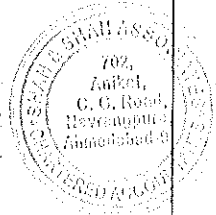
Place : Ahmedabad.
Date : 26th May, 2017



DENIS CHEM LAB LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	Amount Rs.	As at 31/03/2017 Amount Rs.	Amount Rs.	As at 31/03/2016 Amount Rs.
<u>EQUITY AND LIABILITIES:</u>					
<u>Shareholders' Funds:</u>					
Share Capital	1	117,417,960		90,417,960	
Preferential Share Warrants	1.d	-		40,500,000	
Reserves and Surplus	2	181,155,676	298,573,636	33,579,955	164,497,915
<u>Non-current Liabilities:</u>					
Long-term borrowings	3	172,526,057		199,607,997	
Deferred tax liabilities (Net)	4	25,723,755		17,488,436	
Long-term provisions	5	5,350,077	203,599,889	3,483,648	220,580,081
<u>Current Liabilities</u>					
Short-term borrowings	6	158,727,255		162,925,153	
Trade payables	7	199,526,517		169,593,666	
Other current liabilities	8	79,519,895		128,467,019	
Short-term provisions	9	5,059,485	442,833,152	1,511,817	462,497,655
TOTAL			945,006,677		847,575,651
<u>ASSETS :</u>					
<u>Non-Current Assets</u>					
<u>Fixed Assets</u>	10				
(i) Tangible assets		441,300,437		395,411,024	
(ii) Intangible assets		1,382,151		1,417,129	
(iii) Capital Work-in-Progress		6,656,990	449,339,578	98,434,636	495,262,789
Non - Current Investments	11		600,000		600,000
Long-term loans and advances	12		16,971,782		12,794,606
<u>Current Assets</u>					
Inventories	13	51,791,690		55,237,821	
Trade Receivables	14	318,580,093		226,824,415	
Cash and Bank balances	15	74,076,286		28,233,063	
Short-term loans and advances	16	29,095,366		25,115,486	
Other current assets	17	4,551,882	478,095,317	3,507,471	338,918,256
TOTAL			945,006,677		847,575,651
Summary of Significant Accounting Policies & The accompanying notes forming integral part of the financial statements.	26				
	27				
As per our report of Even date For Shah & Shah Associates Firm Reg. no. 523742W			For and on behalf of the Board of Directors		
Chartered Accountants Nimish B. Shah Partner Membership No. : 30102			Mr. Dinesh B. Patel Chairman	Dr. Himanshu C. Patel Managing Director	
			Directors	Anar H. Patel Ms. Anar H. Patel	
			Ms. Khushbu H. Shah Company Secretary	Dr. Gaurang K. Dalal Mr. Janak G. Nanavaty	
			Mr. Vikram Joshi Chief Financial Officer	Ms. Gauri S. Trivedi	
Date: 26th May, 2017					
Place: Ahmedabad					

DENIS CHEM LAB LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST, MARCH 2017

Particulars	Note No.	For the year ended 31st March, 2017 Amount Rs.	For the year ended 31st March, 2016 Amount Rs.
INCOME			
Revenue from Operations	18	1,133,625,232	996,424,666
Other income	19	6,481,190	4,720,228
TOTAL INCOME		1,140,106,422	1,001,144,894
EXPENSES			
Cost of Materials Consumed	20	537,791,411	531,705,914
Changes in inventories of finished goods & work-in- progress	21	1,538,178	(4,579,398)
Employee Benefit Expenses	22	125,627,436	100,622,989
Depreciation and amortization expenses	10	67,707,976	56,359,435
Finance Cost	23	57,821,210	67,338,333
Other Expenses			
I) Manufacturing & Other Expenses	24	124,350,220	101,083,245
II) Selling & Distribution Expenses	25	205,394,292	182,785,418
TOTAL EXPENSES		1,120,230,723	1,035,315,936
Profit Before Tax		19,875,699	(34,171,042)
Tax Expenses			
Current Tax		4,052,260	-
Less: MAT Credit Entitlement		(4,052,260)	
Deferred Tax		8,235,319	10,719,606
Short/(Excess) provision of tax relating to earlier years		(935,342.00)	(413,406.00)
Profit for the year		12,575,722	(44,477,242)
Earning per Share (EPS)		1.07	(4.92)
Basic & Diluted			
Summary of Significant Accounting Policies & The accompanying notes forming integral part of the financial statements.	26 27		
As per our report of Even date For Shah & Shah Associates Firm Reg. no. 22 3742W		For and on behalf of the Board of Directors  Mr. Dinesh B. Patel Chairman Dr. Himanshu C. Patel Managing Director Directors  Ms. Anar H. Patel  Ms. Khushbu H. Shah Company Secretary  Dr. Gaurang K. Dalal  Mr. Janak G. Nanavaty  Mr. Vikram Joshi Chief Financial Officer  Ms. Gauri S. Trivedi	
Chartered Accountants  Nimish B. Shah Partner  Membership No. : 30102			
Date: 26th May, 2017			
Place: Ahmedabad			

DENIS CIEM LAB LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

Sr.No.	Particulars	For the Period Ended on 31/03/2017		For the Period Ended on 31/03/2016	
		Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
A.	Cash Flow From Operating activities:				
	Net Profit before Tax		19,875,699		(34,171,042)
	<u>Adjustments For:</u>				
	Depreciation	67,707,976		56,359,435	
	Interest Income	2,596,882		2,301,574	
	Dividend Income	50,000		100,000	
	Rent Income	773,943			
	Finance Cost	57,821,210	128,950,010	67,338,333	126,099,342
	Operating Profit before Working Capital Changes		148,825,709		91,928,300
	<u>Movement in Working Capital</u>				
	Trade Receivables	(91,755,678)		26,982,091	
	Inventories	3,446,131		(15,343,138)	
	Loans & Advances and Other Assets	(8,615,509)		34,440,407	
	Liabilities & Provisions*	(13,871,852)		70,479,154	
			(110,796,908)		116,558,514
	Cash Generated From Operations		38,028,801		208,486,814
	Less: Direct Taxes Paid (Net of refunds received, if any)		3,702,876		(413,407)
	Net Cash Generated from Operating Activities		34,325,926		208,900,221
B.	Cash Flow From Investing Activities				
	Purchase of Fixed Assets	(21,784,768)		(126,712,374)	
	Interest Received	(2,596,882)		(2,301,574)	
	Net Cash used in Investing Activities		(24,381,650)		(129,013,948)
C.	Cash Flow From Financing Activities				
	Increase/(Decrease) in Long term Borrowing	(27,081,940)		(40,741,385)	
	Increase/(Decrease) in Short term Borrowing	(4,197,898)		(2,300,811)	
	Dividend Income	(50,000)		(100,000)	
	Increase/(Decrease) in Other Long term Provisions	271,677		146,560	
	Finance Cost	(57,821,210)		(67,338,333)	
	Rent Income	(773,943)			
	Share issued/Preferential warrant share Application Money	(40,500,000)		40,500,000	
	Increase in share Capital	27,000,000			
	Security Premium	135,000,000			
	Mat Credit Entitlement	4,052,260			
	Net Cash used in Financing Activities		35,898,946		(69,833,969)
	Net Increase/(Decrease) in Cash & Cash Equivalents		45,843,222		10,052,304
	Cash & Cash Equivalents as at beginning of the Year		28,233,064		18,180,760
	Cash & Cash Equivalents as at closing of the Year		74,076,286		28,233,064

NOTES :

The figures of previous year have been regrouped wherever necessary
As per our report of Even date
For Shah & Shah Associates

Chartered Accountants
FRN 223342W
Nimish B. Shah
Partner

Membership No. : 30102

Date: 26th May, 2017

Place: Ahmedabad



For and on behalf of the Board of Directors

[Signature]
Mr. Dinesh B. Patel
Chairman

[Signature]
Dr. Himanshu C. Patel
Managing Director

Director

[Signature]
Ms. Anar H. Patel

[Signature]
Ms. Khushbu H. Shah
Company Secretary

Dr. Gaurang K. Dalal

[Signature]
Mr. Janak G. Nanavaty

Mr. Vikram Joshi
Chief Financial Officer

Ms. Gauri S. Trivedi

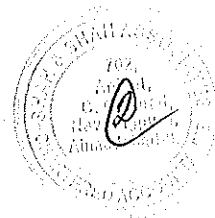
Block No 457, Chhatral, Taluka Katol (N.G.) -382729, District - Gandhi Nagar
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2017

The Details of Share Holders holding more than 5 % of the Paid Up Equity Share Capital of the Company with Voting Rights.

c) The Reconciliation of the number of shares outstanding is set out below

(i) The Company has one class of equity shares having par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to shareholding

d) The Board of Director of a company, at their meeting held on 12th December, 2015, and as approved by the members at their extra ordinary general meeting held on 12th December, 2015, have issued and allotted 27,00,000 preferential warrants to non promoters as per SEBI ICDR guidelines at a price of Rs 60 per warrant, entitling the holder of such warrants to apply for and obtain one equity share of face value of Rs. 10/- each fully paid up against each warrant on or before 18 month from the date of allotment i.e. 12th December, 2015. 25% of the said price of warrant was paid up on subscription and balance 75% is to be paid upon exercise of entitlement to convert into equity shares as the same warrants converted to equity during the year.



Particulars	As at 31/03/2017		As at 31/03/2016	
	Amount(Rs)		Amount(Rs)	
NOTE - 2 : RESERVES AND SURPLUS				
Genral Reserve				
Balance as per last Balance Sheet	3,692,457		3,692,457	
		3,692,457		3,692,457
Capital Reserve				
i. Capital profit on forfeiture of equity shares				
Balance as per last balance sheet		14,500		14,500
ii. Cash Subsidy				
Balance as per last balance sheet		1,183,950		1,183,950
iii. Security Premium				
Balance as per last balance sheet	24,096,533		24,096,533	
Add :Received during the year	135,000,000	159,096,533	-	24,096,533
Profit & Loss Account				
Balance as per last Balance Sheet	4,592,515		49,069,757	
Add: Net Profit for the year.	12,575,722	17,168,237	(44,477,242)	4,592,515
Total		181,155,677		33,579,955
NOTE - 3 : LONG TERM BORROWINGS				
Secured				
Term Loans				
From Banks				
Axis Bank Limited (Refer Note - I)	76,733,679		99,429,475	
Bank of India (Refer Note -II)	65,595,830		84,631,320	
Other Loans				
Life Insurance Corporation (Refer Note - III)	2,478,500		2,478,500	
Machinery Loan (Refer Note - IV)	2,218,709		18,639,255	-
Vehicle Loan	846,187	147,872,905	466,956	205,645,506
Less : Current Maturity within next 12 months		(38,920,514)		(69,626,876)
Total (A)		108,952,391		136,018,630
Unsecured Loans :				
Deposit from Directors	49,167,781		50,248,394	
Deposit from Stockist	12,570,000		9,670,000	
Banks and Others	4,110,141	65,847,922	10,406,530	70,324,924
Less : Current Maturity withing next 12 months		(2,274,256)		(6,735,557)
Total (B)		63,573,666		63,589,367
Total(A+B)		172,526,057		199,607,997



I. Loan from Axis Bank Limited is secured against pari passu charge by way on mortgage on company land and building situated at Village- Chhatral, Taluka : Kalol, Dist Gandhinagar, and fixed-assets of the company with other consortium bankers Further it is also secured against pari pasu over entrie cuttent assets of company (present & future) and by personal guarantee of the Managaing Director and CEO of the company 13.75% (71 monthly installments of 17.30 Lacs and last installment of 21.70 lacs commencing from December-2014 at interest rate of 13.75 %.)

II. Loan from Bank of India is secured against pari passu charge by way on mortgage on company land and building situated at Village- Chhatral, Taluka : Kalol, Dist Gandhinagar, and fixed-assets of the company with other consortium bankers Further it is also secured against pari pasu over entrie cuttent assets of company (present & future) and by personal guarantee of the Managaing Director and CEO of the company (72 monthly installment commencing from April 2015 at interest rate of 14.10 %.)

III. Loan from Life Insurance Corporation of India is Secured against assignment of Keyman Insurance Policy .

IV. Machinery loan from Intec Capital Limited amounting to Rs.22.18 Lakhs (Previous year Rs.45.57Lakhs) and Reliance Capital Limited amounting to NIL (Previous year Rs.140.82 Lakhs) are secured against hypothecation of concerned machinery.

V. Vehicle Loan from Kotak Mahendra Bank Ltd. amounting to Rs. 8.46 Lakhs (Previous year Rs. 4.67 Lakhs) is secured against hypothecation of vehicle.

NOTE - 4 : DEFERRED TAX LIABILITIES (NET)

Tax effect of items constituting deferred tax liability:

On difference between book balance and tax balance of fixed assets due to depreciation	30,249,008	25,224,458
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Tax effect of items constituting deferred tax asset:

Disallowance under Income Tax Act	4,525,253	7,736,022
Total	25,723,755	17,488,436

NOTE - 5 : LONG TERM PROVISION

For Employee Benefits

Group Grautity	2,400,970	967,739
Leave Encashment	2,949,107	2,515,909
Total	5,350,077	3,483,648

NOTE - 6 : SHORT TERM BORROWINGS

Secured:

Working Capital Loan From Banks (Refer Note-I)	122,834,138	125,634,381
Working Capital Loan From Banks (Refer Note-I)	35,893,117	37,290,772
Total	158,727,255	162,925,153

I. Working Capital Loans from the Axis Bank and Bank of India are secured against paripassu charge on current assets (both present & future) and extension of paripassu charge by way of mortagage of companys land situated at Village - Chhatral, Taluka : Kalol, Dist Gandhinagar. Further the same are having collarteral securities by of paripassu over entrie moveable fixed-assets (present & future) except sepecfily finance by other finance company and are also secured against personal guarantee of Managing Director and CEO of the company.

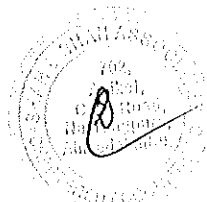
NOTE - 7 : TRADE PAYABLES

Payable to Micro and Small Enterprise	-	-
Other Payables	199,526,517	169,593,666
Total	199,526,517	169,593,666



NOTE - 8 : OTHER CURRENT LIABILITIES		
Advances from Customers	1,713,830	5,572,528
Current Maturity of Long Term Borrowings (Refer Note under long term borrowings for details of security)	41,194,770	76,362,433
Unpaid Dividend*	447,385	513,487
Statutory remittances	18,849,605	18,948,646
Other liabilities**	17,314,305	27,069,925
Total	79,519,895	128,467,019
* There are no amounts due and outstanding to be credited to investor Education and Protection Fund.		
NOTE - 9 : SHORT TERM PROVISIONS		
Provision for taxation (Net of advance tax)	3,635,018	359,026
Provision for Excise Duty	1,424,467	1,152,791
Total	5,059,485	1,511,817
NOTE - 11: NON CURRENT INVESTMENTS		
<u>Non Trade</u>		
<u>OTHER INVESTMENTS</u>		
<u>In Debentures</u>		
<u>Unquoted</u>		
400,12.50% Debentures of Tata Capital Ltd of Rs.1000 each	600,000	600,000
Total	600,000	600,000
Aggregate amount of Unquoted Investments	600,000	600,000
NOTE - 12 : LONG TERM LOANS AND ADVANCES		
<u>Unsecured, Considered Good:</u>		
Security and Other Deposits	12,333,564	12,794,606
Mat Credit entitlement	4,052,260	-
Tax Paid in Advance (Net of provision)	585,958	-
Total	16,971,782	12,794,606
NOTE - 13 : INVENTORIES		
Raw Materials & Packing Materials	27,864,156	29,903,232
Work-in-Progress	214,013	3,382,350
Finished Goods	22,290,847	20,660,688
Stores & Spares	1,422,674	1,291,551
Total	51,791,690	55,237,821

Method of valuation of Inventory - Refer 26 (f) of Significant Accounting Policies



DENIS CHEM LAB LIMITED FINANCIAL YEAR 2016-2017
FIX ASSETS BLOCK

	Gross Block (At Cost)				Depreciation Block			Net Block		
	At at 01/04/16	Addition during the Year	Deduction during the Year	Total as at 31/03/17	As at 01/04/16	For the Year	Deduction during theYear	Total as at 31/03/17	As at 31/03/17	As at 31/03/16
Tengible Assets										
Free Hold Land	1,039,292		-	1,039,292	-		-	-	1,039,292	1,039,292
Building	158,679,456	13,573,974	-	172,253,429	46,982,386	12,001,089	-	58,983,475	113,269,955	111,697,069
Plant & Machinery*	421,511,889	97,544,900	-	519,056,789	154,647,964	50,625,894	-	205,273,857	313,782,932	266,863,930
Laboratory Equipment	7,451,494	1,073,500	-	8,524,994	5,473,711	857,772	-	6,331,482	2,193,512	1,977,783
Electrical Installation	22,180,385	158,413	-	22,338,798	10,844,257	3,019,643	-	13,863,900	8,474,898	11,336,129
Furniture Fixtures	4,841,267	29,900	-	4,871,167	3,124,547	430,083	-	3,554,630	1,316,537	1,716,721
Vehicles	2,818,912	867,117	-	3,686,029	2,182,408	384,070	-	2,566,478	1,119,551	636,503
Other Equipments	453,312	56,080	-	509,392	309,714	95,917	-	405,631	103,761	143,597
Total (a)	618,976,007	113,303,884		732,279,891	223,564,986	67,414,468		290,979,453	441,300,437	395,411,024
Intengible Assets	2,660,869	258,530		2,919,399	1,243,739	293,508		1,537,247	1,382,151	1,417,129
Total (b)	2,660,869	258,530	-	2,919,399	1,243,739	293,508	-	1,537,247	1,382,151	1,417,129
Total (a) + (b)	621,636,876	113,562,414	-	735,199,290	224,808,725	67,707,976	-	292,516,701	442,682,588	396,828,153
Previous year	591,184,120	30,452,756	-	621,636,876	168,449,289	56,359,435	-	224,808,724	396,828,153	-

* Addition to Plant & Machinery includes borrowing cost Rs 30,80,079/- (i.e. including CWIP Borrowing cost Rs. 25,69,278/- (Previous year Nil))



NOTE- 14 : TRADE RECEIVABLES**Unsecured, Considered good****Outstanding for a period exceeding six months****From the date they were due for payment:**

Consider Good	28,196,977		12,704,208	
Less Provision for Doubtful Debts	-	28,196,977	-	12,704,208
Others, considered Good		290,383,116		214,120,207
Total		318,580,093		226,824,415

NOTE - 15 : CASH AND BANK BALANCES**Cash and Cash Equivalents****Balances With Banks**

Current Accounts	62,700,114	11,046,383
Cash on Hand	453,712	174,849

Other Bank Balances

Bank Deposits with initial period of more than 12 months maturity and due with 12 months of reporting date.	6,476,564	2,261,000
Unpaid Dividend Accounts *	447,385	513,487
Margin Money /Bank Guarantee (Including some under lien with bankers)	3,998,511	14,237,344
Total	74,076,286	28,233,063

*These Balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

NOTE - 16 : SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered good):

Advances paid to suppliers*

to related party	-	9,012,074
to others	20,631,386	10,006,629
	20,631,386	19,018,703
Balance with Government Authorities	1,446,070	1,864,651
Advances recoverable in cash or kind or value to be received	6,188,467	4,099,279
Advances to Staff	829,443	132,853
Total	29,095,366	25,115,486

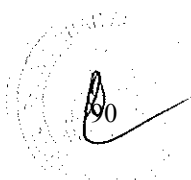
*Includes to related parties

NOTE - 17 : OTHER CURRENT ASSETS

Interest accrued on Deposits	3,549,809	2,717,788
others	1,002,073	789,683
Total	4,551,882	3,507,471

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH - 2017

Particulars	Amount	For the Year Ended on 31/03/2017 Amount Rs.	Amount	For the Year Ended on 31/03/2016 Amount Rs.
NOTE - 18 : REVENUE FROM OPERATIONS				
Transfusion Solution in Bottles	1,175,801,289		1,028,636,291	
Conversion Charges	5,415,809		10,080,195	
	1,181,217,098		1,038,716,486	
Less: Excise Duty	47,591,866	1,133,625,232	42,291,820	996,424,666
Total		1,133,625,232		996,424,666
NOTE - 19 : OTHER INCOME				
Interest	2,596,882		2,301,574	
Dividend on Investment	50,000		100,000	
Miscellaneous Income	5,940		213,830	
Rent Income	773,943		710,785	
Foreign Exchange Gain (net)	1,604,781		571,375	
Sundry Balances written off (Net)	1,280,667		822,664	
Duty draw Back on export sales	168,977		-	
		6,481,190		4,720,228
Total		6,481,190		4,720,228
NOTE - 20 : COST OF MATERIALS CONSUMED				
Raw Materials and Packing Materials Consumed	532,595,056		524,712,327	
Stores, Spares & Tools Consumed	5,196,355	537,791,411	6,993,587	531,705,914
Total		537,791,411		531,705,914
Details of Raw materials and Packing materials and other stores consumed				
Chemical Raw Materials (Dextros Anhydrous, Sodium Chloride, Sugar, Calcium, Acid etc)	158,219,401		156,407,730	
Packing Materials (Plastic Granuals, Glass Bottles, Rubber Stopper, Corugated Boxes, Lables, hangers, Seal, etc.)	315,408,188		301,695,426	
Other Materials	64,163,822		73,602,758	
Total		537,791,411		531,705,914
NOTE - 21 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS				
Opening Stocks:				
Finished Goods	20,660,688		16,853,063	
Work-in-Progress	3,382,350	24,043,038	2,610,577	19,463,640
Less : Closing Stocks :				
Finished Goods	22,290,847		20,660,688	
Work-in-Progress	214,013	22,504,860	3,382,350	24,043,038
Variation		1,538,178		(4,579,398)
Total		1,538,178		(4,579,398)



NOTE - 22 : EMPLOYEE BENEFITS EXPENSES

Salaries, Wages & Bonus	118,267,970		94,745,466	
Contribution to provident & other funds	5,680,694		4,583,829	
Staff Welfare Expenses	<u>1,678,772</u>	125,627,436	<u>1,293,694</u>	100,622,989
Total		125,627,436		100,622,989

NOTE - 23 : FINANCE COST

Interest on Term Loan	20,495,028		28,192,606	
Interest on Working Capital Loans from banks	20,173,875		19,381,674	
Other Interest	10,996,274		11,909,253	
Other Borrowing Costs	<u>6,156,033</u>	57,821,210	<u>7,854,800</u>	67,338,333
Total		57,821,210		67,338,333

NOTE - 24 : MANUFACTURING AND OTHER EXPENSES

Laboratory Chemicals		6,234,164		3,938,989
Power & Fuel		71,412,307		59,166,198
Freight Inward		5,951,822		6,904,502
Rent		855,326		480,000
Repairs & Maintenance :				
Machinery	6,346,669		4,042,994	
Building	991,763		895,928	
Others	<u>710,933</u>	8,049,365	<u>884,450</u>	5,823,372
Insurance		409,461		391,086
Legal and Professional Expenses		4,135,048		3,716,841
Loading & Unloading Charges		5,705,027		3,711,436
Computer Expenses		247,027		238,500
Directors Sitting fees		68,888		68,200
Increase/(Decrease) of Excise Duty on Change in Inventories		271,676		1,152,791
Traveling & Conveyance		4,745,572		4,699,268
Vehicle expenses		348,246		183,118
Printing, Stationery and Postage Expenses		846,621		1,420,370
Excise Duty and Service Taxes		8,693,423		5,231,564
Bad Debts written off		575,627		1,560,311
Preliminary Expenses written off		-		162,000
General Charges		5,800,620		2,234,699
Total		124,350,220		101,083,245

NOTE : 25 Selling & Distribution Expenses

Packing & Freight	146,039,102		107,275,350	
Commission On sales	21,636,579		33,752,824	
Advertisement and Sales promotion	4,616,254		6,336,855	
Breakages & Damages	2,100,072		3,860,374	
Travelling Expenses	15,947,527		13,018,735	
Discount and Rate Difference	14,445,537		17,670,911	
Depot Maintenance Expenses	609,221		870,369	
Total	205,394,292		182,785,418	



NOTE 26 :

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information:

Denis Chem Lab Limited is public limited company domiciled in India and incorporated in 1982 under the provisions of Companies Act applicable in India. Its shares are listed on BSE in India. The company is engaged in the business of manufacturing of Pharmaceuticals Transfusion Solution in Bottles.

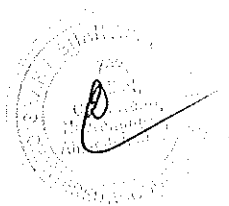
a) Basis of Accountings:

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

b) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.



c) Fixed Assets and Depreciations:

- I. Tangible Fixed Assets are stated at cost less accumulated depreciation and Impairment provisions. The cost comprises purchase price(Net of Cenvat/Vat credit wherever applicable) and any attributable cost for bringing the asset to its working condition for its intended use, inclusive of financing cost till commercial production.
- II Depreciation has been provided under the Written down value method (WDV) as per the provision of and on the basis of useful life of the assets prescribed in Schedule II of the Companies Act, 2013.

d) Impairment of Assets:

The carrying amount of assets is reviewed at each balance sheet date to review if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the 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 risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances

e) Investments:

Long term investments are carried at cost less provision, if any for other than temporary diminution in the value of such investments. Current investments are stated at lower of cost and fair value.

f) Inventories:

Inventories consist of Raw Materials and Packing Materials, Work -In-Process, Finished goods and Stores. Inventories are valued at lower of cost and net realizable value. The cost is determined on First In First Out basis. The cost of work in process and finished goods includes material and packing cost, proportion of labour and manufacturing overheads.

g) Excise Duty:

The excise duty in respect of closing inventory of finished goods is included as part of inventory, if any as per applicable laws.



h) Revenue Recognition:

Sales are recognized upon delivery of products and are recorded inclusive of excise duty but net of rate difference and sales tax.

Dividend on investments is recognised only when the right of receipt is established.

Interest income is recognized on time proportion basis.

Export Incentives including Duty Drawback and Duty benefits on import of raw materials against exports/deemed exports are accounted for in the year of such export.

i) Transaction in Foreign Currency:

Foreign exchange transactions are accounted at the exchange rate prevailing at the date of the transaction. Gains and Losses resulting from settlement of such transaction and from the transaction of monetary assets and liabilities denominated in foreign currency are recognized in the statement of Profit and Loss.

j) Stores and Spares:

Stores and spares consumed include spares utilised for repairs and maintenance of machinery.

k) Cenvat Credit:

Consumption of materials is arrived at after considering credit availed under CENVAT scheme under central excise rules. Cenvat availed on Capital Goods is reduced from the cost of the Fixed assets.

l) Retirement Benefits:

The company has covered its gratuity liability with Life Insurance Corporation of India under Employee Group Gratuity Scheme.

Leave Encashment payable to the employees are recorded on accrual basis.

Contribution to Provident Fund and Employee State Insurance Scheme is charged to revenue.

m) Research & Development Expenses:



Expenditure on Research & Development on revenue account is charged to Statement of Profit & Loss. Assets acquired for Research & Development activities are capitalised and depreciated in the same manner as other fixed assets.

n) Provisions for Taxation:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the company.

Deferred Tax Assets and Liabilities are recognised on Future Tax consequences attributable to the timing differences that result between the profits offered for Income Tax and Profit as per Financial Statement. Deferred Tax assets and Liabilities are measured as per the tax rates/laws that have been enacted by the balance sheet date.

NOTE : 27 NOTES ON FINANCIAL STATEMENTS

a) Contingent Liabilities (to the extent not provided for)

The details of Contingent Liabilities are as under. (Disclosed in terms of Accounting Standard -29 on Provisions, Contingent Liabilities & Contingent Assets notified by the Companies (Accounting Standards) Rules, 2006)

Particulars		As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
i)	Claims against the company not acknowledged as debts	NIL	NIL
ii)	In respect of counter guarantee given by the bank	3,61,14,850/-	1,47,29,455
iii)	Disputed demand not acknowledged as debt against which the company has preferred appeal:		
	Sales Tax Income Tax	1,01,17,774 1,63,17,566	1,01,17,774 60,36,560
iv)	Letter of credit Outstanding amount	2,26,26,538/-	--

- b) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.76,62,912/- (Previous Year Rs.2,69,22,334/-)
- c) Balances of Debtors, Creditors and Loans and Advances, few margin money confirmation in the Balance Sheet are subject to confirmation.



- d) In the opinion of the management of the Company, provisions for all known liabilities have been made in the books of accounts. Further, the current assets and liabilities are stated at the value realizable in the ordinary course of business.
- e) Auditor's Remuneration includes in Statement of Profit & Loss under Legal and Professional Expenses Head.

Sr. No.	Particulars	2016-17	2015-16
(i)	Remuneration of auditor:		
	For Audit Fees	5,61,800	5,61,800
	For certification work	---	---
	Tax audit fees	85,270	85,270
	Total	6,50,000	6,50,000
(ii)	Remuneration to Managing Director		
	Salary	60,00,000	60,00,000
	Contribution to Provident Fund	1,72,800	1,72,800
	Perquisites	2,31,934	1,08,755
	Total	64,04,734	52,89,121

- f) Under the Micro, Small and Medium Enterprises Development Act, 2006; certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not available, no disclosures have been made in the accounts.
- g) The Company has allotted 27,00,000 Equity Shares of Rs.10 each at a premium of Rs. 50 per Share (upon conversion of 27,00,000 Equity Warrants of Rs.10/- each) on 14th March, 2017 on Preferential Basis.
- h) Current Tax has been provided as per MAT i.e. U/s 115JB of the Income Tax Act, 1961
- i) **Deferred Tax Liabilities (Net):**

PARTICULARS	2016-2017	2015-2016
<u>Tax effect of items constituting deferred tax liability:</u>		
On difference between book balance and tax balance of fixed assets due to depreciation	30,249,008	25,224,458
<u>Tax effect of items constituting deferred tax asset:</u>		
Disallowance under Income Tax Act	4,525,253	7,736,022
Total	25,723,755	17,488,436

j) **Segment Reporting (As per Accounting Standard (AS)-17) :**

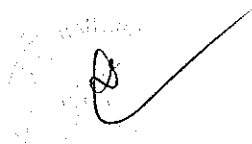
In the opinion of the management, there is only one reportable segment ("Manufacturing, and Sales of Transfusion Solution in Bottles as envisaged by Accounting Standard 17 "Segment Reporting". Further, from a geographical segment perspective, export sales constitute less than 10% of enterprise revenues. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

- k) During the year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of SBN held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in Rupees.			
Particulars	Specified Bank Notes(SBNs)	Other Denomination notes & Coins	Total Rs.
Closing cash in hand as on 08.11.2016	69,75,000	37,81,452	1,07,56,452
(+) Permitted receipts	--	7,20,000	7,20,000
(-) Permitted payments	--	42,04,963	42,04,963
(-) Amount deposited in Banks	69,75,000	--	69,75,000
Closing cash in hand as on 30.12.2016		2,96,489	2,96,489

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8th November, 2016.

- l) The management of the company has carried out an exercise to ascertain impairment of Fixed Assets. In the opinion of the management of the company there are no indications of Impairment of assets as at 31/03/2017 and therefore no effect of impairment is required to be given in the books of accounts.
- m) Non-compliance of Accounting Standard As 15 "Employees Benefits (revised)" to the extent of non provision of Inadequate provision for gratuity without ascertaining actuarial valuation, the consequential impact of adjustment, if any, owing to this non-compliance on the financial statements is presently not ascertainable.



n) **Value of Raw Materials, Store & Spares Consumed:**

Sr. No.		Rupees	2016-17 % of Total	Rupees	2015-16 % of Total
(i)	Raw Material				
	Imported	15,26,624/-	0.29		
	Indigenous	53,10,68,882/-	99.71	52,47,12,327	100.00
	Total	53,25,95,056/-	100.00	52,47,12,327	100.00
(ii)	Stores & Spares				
	Imported	10,63,508/-	20.47	3,68,370/-	5.27
	Indigenous	41,32,847/-	79.53	66,25,217/-	94.73
	Total	51,96,355	100.00	69,93,587	100.00

o) **Value of Imports calculated on C.I.F. basis (on accrual basis)**

Particulars	2016-2017	2015-2016
Raw Materials	15,26,624/-	--
Capital Goods	5,14,54,204/-	1,59,60,886/-
Stores & Spares (Machinery spares)	10,63,508/-	3,68,370/-

p) **F.O.B. Value of Exports in respect of Goods : Rs 81,03,996/- (Previous Year Rs. 77,46,796/-)**

q) **Expenditure In Foreign Currency (on accrual basis) (Including Taxes, if any)**

Particulars	2016-2017	2015-2016
Travelling	1,80,516/-	3,51,242/-
Interest	9,17,535/-	16,335/-

r) **Details of Utilization of the proceeds from the Preferential Issue of 27,00,000 Equity share of face value of Rs.10/- each for cash at a price of Rs.60 Per Equity Warrants (including a premium of Rs.50 per Equity warrants) aggregating to Rs. 1620.00 lacs from 1-12-2015 to 31-3-2017 are as under.**

Objects stated in the offer document	Amount of Projected utilization in the Offer document	Actual Utilisation of funds	Remarks for difference/deviation/ explanation
Capital Expenditure	2080.00	1470.00	The Company is in the process of finalizing vendors for remaining capital expenditure
Sales and Marketing expenditure	-	-	-
Working capital expenditure	300.00	300.00	-
Other Expenditures	-	-	-

s) RELATED PARTY DISCLOSURES:-

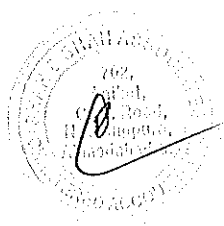
Disclosure of transactions with related parties as required by Accounting Standard-18 on related party disclosures as prescribed by Companies (Accounting Standards) Rules, 2006

a) Name of the Related Parties:-

- i) Associate Company : Denis Plast Limited (up to 15th February, 2017)
- ii) Key Management Personnel : Dr. Himanshu C. Patel (Managing Director)
& their relatives : Dr. Himanshu C. Patel (HUF)
Mr. Nirmal H. Patel (Chief Executive Officer)
- iii) Directors : Shri Dinesh B. Patel
Dr. Gaurang Dalal
Mrs. Anar H. Patel
Mr. Janak G. Nanavaty
Mrs. Gauri S. Trivedi

b) Transactions with the Related Parties during the period :

Particulars	Related party referred to in I. above	Related party referred to in II. above	Related party referred to in III. above
Rent	-	-	4,80,000 (4,80,000)
Sitting Fees	-	-	68,888 (68,200)
Purchases	1,46,31,466 (1,64,40,633)	1,26,82,347 (103,13,858)	-
Interest Income	10,62,599 (-)	-	-
Sales	-	-	-
Remuneration	-	80,67,503 (73,08,755)	-
Balance Receivable/Payable/Short term loans and advances as at Balance Sheet Date	95,04,911 (90,12,074)	19,70,559 (19,69,005)	-



Note: The amount in bracket represents the figures in respect of previous year.
The related party as well as transaction shown above is as certified by the Managing
Director of the Company.

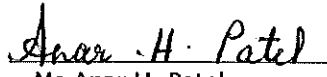
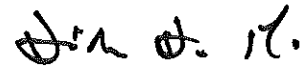
f) The figures of previous year have been regrouped wherever necessary.

As per our attached Report of even date
For **SHAH & SHAH ASSOCIATES**

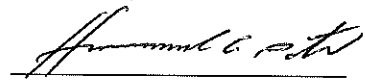
Chartered Accountants
Firm No. 223342W



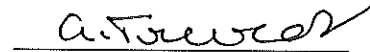
NIMESH B. SHAH
Partner
Mem. No. 30102


Ms Anar H. Patel
Director

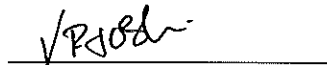
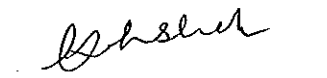
Mr. Dinesh B. Patel
Chairman



Dr. Himanshu C. Patel
Managing Director


Mr. Janak G. Nanavaty
Director

Ms. Gauri S. Trivedi
Director


Mr. Vikram Joshi
Chief Financial Officer
Dr. Gaurang K. Dalal
Director
Ms. Khushbu H. Shah
Company Secretary

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following table presents certain accounting and other ratios on basis derived from our audited financial statements included in the section titled “Financial Information” beginning on page 70 of this Letter of Offer.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings Per Share		
Basic Earnings Per Share (after extraordinary items) (₹)	1.07	(4.92)
Diluted Earnings Per Share (after extraordinary items) (₹)	1.07	(4.92)
Return on Net Worth (after extraordinary items and excluding revaluation reserves)	4.21%	(35.87%)*
Net Asset Value / Book Value per Equity Share each (after extraordinary items and excluding revaluation reserves) (₹)	25.43	13.71*

*Advance received against Preferential Share Warrants is excluded from the calculation of Net Worth

Note: As certified by Shah & Shah Associates, Chartered Accountants, vide their Certificate dated June 6, 2017.

The ratios have been computed as under:

Basic Earnings Per Share	Net Profit After Tax / Number of Equity Shares
Return on Net Worth (%)	Net Profit after tax / Shareholder's Funds
Net Asset Value Per Share	Shareholder's Funds / Number of Equity Shares (outstanding at the end of the period)

Capitalisation Statement:

The statement on our capitalisation is as set out below:

	(₹ In Lakh)	
Particulars	Pre Issue as at March 31, 2017	Post Issue
Borrowings		
Short Term Debt	1,587.27	1,587.27
Add: Current Maturity of Long Term Debt	411.95	411.95
Long Term Debt (A)	1,725.26	1,725.26
Total Debt (B)	3,724.48	3,724.48
Shareholder's Fund		
Equity Share Capital	1,174.18	1,387.67
Reserves & Surplus	1,811.56	3,391.36
Total Shareholder's Fund (C)	2,985.74	4,779.03
Long Term Debt/Equity Ratio {(A)/(C)}	0.58	0.36
Total Debt/Equity Ratio {(B)/(C)}	1.25	0.78

Note: As certified by Shah & Shah Associates, Chartered Accountants, vide their Certificate dated September 4, 2017.

Note: Since March 31, 2017, the last date as of which the financial information has been given at section titled 'Financial Information' beginning on page 70 of this Letter of Offer. Our Company has increased its authorised share capital from ₹ 1,300.00 Lakh to ₹ 1,600.00 Lakh with a view to accommodate the proposed Rights Equity Shares envisaged in this Letter of Offer.

STOCK MARKET DATA FOR EQUITY SHARES

The Equity Shares of our Company are listed on the BSE and ASE. As our Equity Shares are frequently traded on BSE for the preceding twelve months, as defined under ‘frequently traded shares’ of SAST Regulations, stock market data has been given for BSE. Since our Equity Shares have not been traded on ASE for the period mentioned in the table below, the data for ASE has not been provided.

For the purpose of this section:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

The high, low prices and average of closing prices recorded on the BSE 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:

Year ending March 31	High (₹)	Date of High	No. of Shares traded on date of high	Low (₹)	Date of Low	No. of Shares traded on date of low	Average price for the year (₹)
March 2017	216.90	January 13, 2017	19,077	80.00	June 07 2016	4,673	120.66
March 2016	132.20	January 05, 2016	1,22,358	24.40	June 12, 2015	5,425	59.55
March 2015	53.00	December 01, 2014	13,491	18.30	June 12, 2014	2,27,308	31.22

(Source: www.bseindia.com)

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (₹)	Date of High	No. of Shares traded on date of high	Low (₹)	Date of Low	No. of Shares traded on date of low	Average price for the Month (₹)	Total No of Trading Days
August 2017	144.00	August 30, 2017	11,691	112.00	August 03, 2017	4,886	124.40	21
July 2017	139.00	July 06, 2017	3,481	115.50	July 25, 2017	4,480	125.76	21
June 2017	143.95	June 02, 2017	2,109	126.00	June 16, 2017	5,100	136.14	21
May 2017	159.90	May 03, 2017	7,774	127.35	May 25, 2017	5,799	145.63	22
April 2017	188.85	April 11, 2017	18,842	144.00	April 05, 2017	6,463	162.35	18
March 2017	184.00	March 06, 2017	909	140.25	March 30, 2017	1,456	161.05	22
February 2017	204.90	February 02, 2017	6,789	157.70	February 27, 2017	821	176.19	19
January 2017	216.90	January 13, 2017	19,077	140.00	January 04, 2017	2,682	176.82	21
December 2016	153.00	December 30, 2016	10,610	118.00	December 27, 2016	897	131.20	21

(Source: www.bseindia.com)

The closing price of the Equity Shares as on April 17, 2017 was ₹ 170.40 on the BSE, the trading day immediately following the day on which Board of Directors approved the Issue.

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (₹)	High (₹)	Date of High	Low (₹)	Date of Low
September 15, 2017	111.45	117.80	September 11, 2017	106.25	September 15, 2017
September 08, 2017	116.55	141.85	September 06, 2017	114.50	September 08, 2017
September 01, 2017	129.00	144.00	August 30, 2017	123.70	August 28, 2017
August 24, 2017	121.00	124.00	August 22, 2017	118.05	August 23, 2017
August 18, 2017	122.00	126.90	August 14, 2017	120.05	August 14, 2017

(Source: www.bseindia.com)

The closing market price of our Equity Shares as on September 18, 2017, the trading day immediately prior to the date of this Letter of Offer, was ₹ 122.90 on BSE.

MATERIAL DEVELOPMENTS

Except as disclosed herein below, there are no material developments since March 31, 2017, which significantly affect the operations, performance, prospects or financial condition of our Company.

1. The Board of Directors, in its meeting held on April 13, 2017, has:
 - a. Recommended the increase in the authorised share capital of the company from ₹ 1,300 Lakh to ₹ 1,600 Lakh;
 - b. Recommended the alteration in capital clause of Memorandum of Association pursuant to increase in authorised capital;
 - c. Recommended the adoption of new set of Articles of Association of the Company.
 - d. Approved the issue of Equity Shares on Rights Basis.
 - e. Constituted the Rights Issue Committee for administrative convenience to decide various matters concerning the Rights Issue.
2. The members of our Company at the EGM held on May 20, 2017, have approved the following:
 - a. Increase in the authorised share capital of the company from ₹ 1,300 Lakh to ₹ 1,600 Lakh;
 - b. Alteration in capital clause of Memorandum of Association pursuant to increase in authorised capital;
 - c. Adoption of new set of Articles of Association of the Company.
3. The Board of Directors has in its meeting held on May 26, 2017 approved the audited financial statements for the Financial Year 2016-17 in accordance with the requirements of the SEBI Listing Regulations. For details, see chapter titled “*Financial Statements*” beginning on page 70 of this LOF.
4. The Board of Directors, in its meeting held on July 27, 2017, has:
 - a. Recommended re-appointment of Mr. Dinesh B. Patel, Director, who is retiring by rotation at the ensuing Annual General Meeting and being eligible for reappointment in accordance with the provisions of Section 152 of the Companies Act, 2013.
 - b. Reappointed Dr. Himanshu C. Patel as Managing Director of the Company for a period of three years with effect from August 1, 2017 to July 31, 2020, subject to approval of shareholders in next General Meeting of the Company.

WORKING RESULTS

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, the information relating to the working results for the period between the last date of the financial statements and up to the end of the last but one month preceding the date of this Letter of Offer be filed with the Stock Exchange.

Working results of our Company for the period from April 1, 2017 to July 31, 2017:

(₹ in Lakh)		
Sr. No	Particulars	Amount
(i)	Sales / turnover (Net)	3,330.62
(ii)	Other income	18.53
	Total Income	3,349.15
(iii)	Estimated gross profit / loss (excluding depreciation and taxes)	203.16
(iv)	Provision for depreciation	194.00
(v)	Provision for taxes	2.98
(vi)	Estimated net profit / loss	6.18

Material changes and commitments, if any, affecting our financial position

Except as disclosed in the chapter titled “*Material Developments*” beginning on page 104 of this Letter of Offer, there are no material changes and commitments affecting the financial position of our Company.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as described below, our Company is not involved in any material legal proceedings, no proceedings are threatened, and no notices have been issued by any regulatory or governmental authority, which may have a material adverse effect on the business, properties, financial condition or operations of our Company. Our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, or defaults in repayment of loans from any bank or financial institution that would have a material adverse effect on our business except as disclosed in the section titled “Risk Factors” beginning on page 14 of this Letter of Offer.

Further, except as disclosed below, our Company is not subject to:

(a) any other outstanding litigations which do not impact our future revenues, which have monetary value of more than 1% of our Net Worth, for the last completed financial year; or

(b) any other outstanding litigations which impact our future revenues, which have monetary value of more than 1% of our revenue, for the last completed financial year.

Further, except as disclosed below, there are no litigations against us involving moral turpitude, material violations of statutory regulations and or proceedings relating to economic offences which have arisen in the immediately preceding 10 years from the date of this Letter of Offer.

A summary of legal proceedings involving our Company, which we consider material, is set forth below:

I. Cases filed against our Company

Criminal Cases

1. The FDCA, Gandhinagar has filed a Criminal Complaint (2548 / 2006) before the Judicial Magistrate, Kalol, Gandhinagar under the Drugs Act, against our Company and our Directors. The Inspector of FDCA, Gandhinagar on December 10, 2005, found fungus in few bottles of 2 (two) batches of Denilyte M Injection lying in the factory premises. The FDCA, Gandhinagar by a letter dated February 23, 2006 directed our Company to recall the said 2 (two) batches from the market which was duly complied with by our Company. The matter is currently pending before the Judicial Magistrate, Kalol, Gandhinagar.
2. The Senior Inspector of Drugs, Directorate of Drugs Control, representing the Government of West Bengal filed a complaint (73/2013) under Section 32 of the Drugs Act with the learned Court of Chief Judicial Magistrate Alipore against our Company and certain other persons, identified specifically therein. The Senior Inspector of Drugs on March 1, 2013 seized from a retail drug store, 22 bottles of Dextrose Injection I.P 25% w / v (100 ml), which had been manufactured by our Company, allegedly on the ground of adulteration due to the presence of fungal growth and presence of other particulate matter in the said bottles, under Section 17-A of the Drugs Act. Our Company has appeared in the said matter and is defending itself therein. The matter is currently pending before the Court of Chief Judicial Magistrate Alipore, West Bengal for further hearing.
3. The Inspector of Drugs, Burdwan District Drugs Control Office filed a complaint before the Chief Judicial Magistrate, Burdwan under Section 25(4) of the Drugs Act for violation under Section 18(a) (1) of the Drugs Act. In this regard, the Chief Judicial Magistrate, Burdwan passed an order dated May 24, 2017 (“**Order**”) directing our Company to produce the drug sample before the Chief Judicial Magistrate, Burdwan. Aggrieved by the Order, our Company filed a revision application (76/2017) before the Hon’ble Court of the Sessions Judge, Burdwan against the Order under Section 397/399 of the Code of Criminal Procedure, 1973. The matter is currently pending before the Hon’ble Court of the Sessions Judge, Burdwan.

II. Revenue proceedings against our Company

Income Tax proceedings against our Company

1. Assessment Year 2015-16

Our Company has preferred an appeal before the CIT(A), Ahmedabad against the order dated November 19, 2015 passed by the Additional Commissioner of Income Tax, TDS, Ahmedabad. Our Company has preferred this appeal against imposing penalty of an amount of ₹ 35.98 Lakh in relation to non-deduction of tax as per Section 271C of the I.T. Act. The matter is currently pending before the CIT(A), Ahmedabad.

Indirect Tax proceedings against our Company

1. Financial Year 2004-2005 (VAT/GST)

Our Company has preferred an appeal before the Deputy Commissioner of Commercial Tax, Gandhinagar (“**Deputy Commissioner**”) against the order dated March 12, 2009 (“**Order**”) passed by the ACCT, Gandhinagar for setting aside the Order passed by the ACCT in relation to VAT and cancellation of the demand raised by the ACCT to the tune of ₹ 7.91 Lakh. The matter is currently pending before the Deputy Commissioner.

2. Financial Year 2004-2005 (CST)

Our Company has preferred an appeal before the Deputy Commissioner of Commercial Tax, Gandhinagar (“**Deputy Commissioner**”) against the order dated March 12, 2009 (“**Order**”) passed by the ACCT, Gandhinagar for setting aside the Order passed by the ACCT in relation to CST and cancellation of the demand raised by the ACCT to the tune of ₹ 12.91 Lakh. The matter is currently pending before the Deputy Commissioner.

3. Financial Year 2005-06 (VAT / GST)

Our Company has preferred an appeal before the Deputy Commissioner of Commercial Tax, Gandhinagar (“**Deputy Commissioner**”) against the order dated September 29, 2008 (“**Order**”) passed by the ACCT, Kalol for setting aside the Order passed by the ACCT in relation to VAT and cancellation of the demand raised by the ACCT to the tune of ₹ 5.93 Lakh. The matter is currently pending before the Deputy Commissioner.

4. Financial Year 2005-06 (CST)

Our Company has preferred an appeal before the Deputy Commissioner of Commercial Tax, Gandhinagar (“**Deputy Commissioner**”) against the order dated September 29, 2008 (“**Order**”) passed by the ACCT, Kalol for setting aside the Order passed by the ACCT in relation to CST and cancellation of the demand raised by the ACCT to the tune of ₹ 74.41 Lakh. The matter is currently pending before the Deputy Commissioner.

III. Cases filed by our Company

Civil Cases

1. Our Company has filed a writ petition (9381 / 2016) before the Hon’ble Madhya Pradesh High Court against the State of Madhya Pradesh, challenging the orders dated August 12, 2015 and May 11, 2016 (“**Orders**”), wherein our Company was debarred from participating in any tender for a period of 5 (five) years. The Hon’ble Madhya Pradesh High Court has granted interim reliefs whereby the said Orders have been stayed. The matter is currently pending before the Hon’ble Madhya Pradesh High Court for hearing.
2. The Director, Department of Animal Husbandry, Government of Rajasthan passed an order dated October 27, 2016 debaring our Company from participating in the bids for a period of 2 (two) years. Aggrieved with the order dated October 27, 2016, our Company preferred an appeal before the Secretary, Department of Animal Husbandry, Government of Rajasthan which was rejected *vide* order dated March 7, 2017. Thereafter, our Company preferred a second appeal before the Secretary (Budget) Finance Department against the order dated March 7, 2017, which further got rejected *vide* order dated May 8, 2017 (“**Order**”). Subsequently, our Company has filed a writ petition (9107/2017) before the Hon’ble Rajasthan High Court against the Order. The matter is currently pending before the Hon’ble Rajasthan High Court for further hearing.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have obtained the necessary consents, licenses, permissions and approvals from various governmental and regulatory authorities that are required for carrying on our present business. Some of the approvals and license that we require for our present business operation may expire in the ordinary course of business, in which case, we will apply for their renewal from time to time.

The details of our pending government and regulatory approvals in relation to our lines of activity and projects are as stated below:

Nil

The details of government and regulatory approvals that are yet to be applied for are stated as below:

We are yet to file an application for registration under the Shops Act for our Corporate Office.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by the resolution passed by our Board at its meeting held on April 13, 2017 pursuant to Section 62 and other provisions of the Companies Act.

The Board of Directors in their meeting held on August 30, 2017, have determined the Issue Price as ₹ 84 per Rights Equity Share and the Rights Entitlement as 2 (Two) Rights Equity Share(s) for every 11 (Eleven) Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation between our Company and the Lead Manager.

Our Company has received 'in-principle' approval from the BSE and the ASE for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letters dated June 30, 2017 and July 3, 2017 respectively.

Prohibition by SEBI or RBI

Our Company, the Promoters and Promoter Group, the Directors, the persons in control of our Company or the persons in control of our Promoters and Promoter Group have not been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Promoters and Promoter Group, the Directors, persons in control of our Company or the persons in control of our Promoters and Promoter Group was or also is a promoter, director or person in control of any other company which has been restrained, prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of the Directors of our Company are associated with the capital market in any manner. SEBI has not initiated action against any entity with which the Directors are associated.

Further, none of the Company, the Directors, Promoters and Promoter Group, the relatives of Promoters and Promoter Group and the Group Companies have been categorized as a Wilful Defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters issued by the RBI.

RBI Approval for Renunciation

Our Company has made an application to the RBI vide letter dated August 21, 2017 for seeking its approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). The application is pending before the RBI as on the date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Presently, the Equity Shares of our Company are listed on the BSE and the ASE. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of Chapter IV of the ICDR Regulations.

Compliance Part E of Schedule VIII of the ICDR Regulations

Our Company has complied with the requirements of Part E of Schedule VIII of the ICDR Regulations, to the applicable extent, in terms of the disclosures made in this Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- a) Our Company has been filing periodic reports, statements and information in compliance with the Equity Listing Agreement and the Listing Regulations, as applicable, for the last three years immediately preceding the date of filing the Draft Letter of Offer with the SEBI;

- b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE, which is a recognised stock exchange with nationwide trading terminals; and
- c) our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Compliance with Regulation 4(2) of the ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2) of the ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 4(2) (d) of the SEBI ICDR Regulations, our Company undertakes to make an application to BSE and ASE for listing of the securities to be issued pursuant to this Issue. BSE shall be the Designated Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE 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 THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 9, 2017 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 THE 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, AND 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) THE DRAFT LETTER OF OFFER FILED WITH 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 SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- (c) THE DISCLOSURES MADE IN THE 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 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - NOT APPLICABLE.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.
 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER 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 MONEYS 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 THE STOCK EXCHANGE MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE FOR A RIGHTS ISSUE, 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 ICDR REGULATIONS.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE 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 THE SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
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 ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR -NOT APPLICABLE, BEING A RIGHTS ISSUE.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT LETTER OF OFFER.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER REGULATION 106Y (1) (a) OR (b) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS - NOT APPLICABLE.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 38 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER

CLEARANCE 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 THE DRAFT LETTER OF OFFER.

Caution

Disclaimer Statement from our Company and the Lead Manager:

Our Company and the Lead Manager, namely Vivro Financial Services Private Limited, accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or any other material issued by or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have represented to our Company and the 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.

We 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 Letter of Offer with the SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Applicants will be required to confirm and will be deemed to have represented to our Company and the 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 the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the BSE.

Disclaimer Clause of the BSE

As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, vide its in-principle approval dated June 30, 2017, is as under:

“BSE Limited (“the Exchange”) has given vide its letter dated June 30, 2017, permission to this Company to use the Exchange’s name in this Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner;

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of the letter of offer; or*
- ii. Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

And it should not for any reason be deemed or construed that the letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer Clause of ASE

It is to be distinctly understood that the permission given by ASE should not in any way be deemed or construed that the Letter of Offer has been cleared or approved by ASE nor does it certify the correctness or completeness of any of the contents of the Letter of Offer.

Filing with SEBI

The Draft Letter of Offer has been filed with the Corporation Finance Department of the SEBI, located at Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad, Gujarat 380009, India for its observations. After SEBI gives its observations, the Letter of Offer shall be filed with the Stock Exchanges as per the provisions of the Companies Act, 2013.

Selling Restrictions

The distribution of this Letter of Offer and the issue of our Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Rights Equity Shares to its Eligible Equity Shareholders and will dispatch the Letter of Offer and Composite Application Form (“CAF”) to the shareholders who have an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this 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 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 Letter of Offer should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the same in or into the US or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer.

Neither the delivery of this 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 this date.

IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS

As described more fully below, there are certain restrictions regarding the rights and Rights Equity Shares that affect potential investors. These restrictions are restrictions on the ownership of Equity Shares by such persons following the offer.

The rights and the Rights Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

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

Until the expiry of 40 (forty) days after the commencement of the Issue, an offer or sale of rights or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Eligible Investors

The rights or Rights Equity Shares are being offered and sold only to persons who are outside the United States and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. All persons who acquire the rights or Equity Shares are deemed to have made the representations set forth immediately below.

Rights Equity Shares and Rights Offered and Sold in this Issue

Each purchaser acquiring the rights or Rights Equity Shares, by its acceptance of this Letter of Offer and of the rights or Rights Equity Shares, will be deemed to have acknowledged, represented to and agreed with us and the Lead Manager that it has received a copy of this Letter of Offer and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the rights or Rights Equity Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the rights and Rights Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the rights or Rights Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the rights or Rights Equity Shares, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such rights or Rights Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such rights or Rights Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such rights or Rights Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such rights or Rights Equity Shares, or any economic interest therein, such rights or Rights Equity Shares or any economic interest therein

may be offered, sold, pledged or otherwise transferred only (A) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the rights or Rights Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;

- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the rights or the Rights Equity Shares;
- (8) the purchaser understands that such rights or Rights Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE RIGHTS EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (9) the purchaser agrees, upon a proposed transfer of the rights or the Rights Equity Shares, to notify any purchaser of such rights or Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the rights or Rights Equity Shares being sold;
- (10) the Company will not recognize any offer, sale, pledge or other transfer of such rights or Rights Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Rights Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such rights or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”) who receives any communication in respect of, or who acquires any rights or Rights Equity Shares under, the offers contemplated in this Letter of Offer will be deemed to have represented, warranted and agreed to and with each Lead Manager and the Company that in the case of any rights or Rights Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

- (i) the rights or Rights Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Managers has been given to the offer or resale; or
- (ii) where rights or Rights Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those rights or Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the rights or Rights Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the rights or Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the rights or Rights Equity Shares, as the same may be

varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Listing on the Stock Exchanges

The existing Equity Shares of our Company are listed on the BSE and ASE. We have made an application to the BSE and the ASE for obtaining ‘in-principle’ approval in respect of the Rights Equity Shares, and have received the same from the BSE and ASE by way of their letter dated June 30, 2017 and July 3, 2017 respectively. We will apply to the BSE and the ASE for listing and trading approvals in respect of the Rights Equity Shares.

If the permission to deal in and for an official quotation of the securities is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the 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 Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 (fifteen) days from the Issue Closing Date.

If such money is not repaid beyond 8 (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 (fifteen) 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 8 (eight) days, be liable to repay the money, with interest as per applicable law.

Consents

Consents in writing of the Directors, the Statutory Auditors, the Lead Manager, the Legal Counsel to the Issue, the Legal Advisor to the Company, the Registrar to the Issue and the Banker(s) to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

M/s. Shah & Shah Associates, our Statutory Auditors, have given their written consent for the inclusion of their report appearing in this Letter of Offer and such consent and report have not been withdrawn up to the date of this Letter of Offer.

Experts Opinion

Our Company has received consent from the Statutory Auditors, M/s. Shah & Shah Associates, Chartered Accountants to include their name as an “expert” under Section 2(38) read with Section 26 of the Companies Act in this Letter of Offer in relation to (i) the audit report dated May 26, 2017 on the audited financial statements of our Company for FY 2016-17 provided under chapter titled “*Financial Statements*” beginning on page 70 of this Letter of Offer; and (ii) the Statement of Tax Benefits dated May 14, 2017 provided under chapter titled “*Statement of Tax Benefits*” beginning on page 58 of this Letter of Offer. Further, this consent has not been withdrawn as of the date of this Letter of Offer.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ 45.00 Lakh. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, Banker(s) to the Issue, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (₹ in Lakh)	% of Estimated Issue Size	% of Estimated Issue expenses
Fees of the Lead Manager, Registrar to the Issue, Legal Advisor, Auditor’s fees etc.	29.00	1.62	64.45
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	7.58	0.42	16.83
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	8.42	0.47	18.72
Total estimated Issue expenses	45.00	2.51	100.00

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has a Stakeholders' Relationship Committee which meets as and when required, to deal with and monitor redressal of complaints from shareholders. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Compliance Officer.

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between our Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank/ SCSB and the branch where the CAF was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Our Company is registered with the SCORES as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, Investor grievances are tracked online by our Company.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400083, Maharashtra, India.

Telephone: + 91 22 49186200; **Facsimile:** +91 22 49186195

Email: denischem.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: denischem.rights@linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

Investors may contact the Compliance Officer and/or Registrar to the Issue in case of any pre-Issue/ post - Issue related problems such as non-receipt of Allotment Advice/Share Certificates/demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Company Secretary and Compliance Officer

Ms. Khushbu H. Shah,
Denis Chem Lab Limited
401, Abhishree Complex,

Abhishree (Shops & Offices) Co-operative Housing Society,
Opposite Om Tower, Satellite Road,
Ahmedabad – 380015, Gujarat, India.
Telephone: +91 79 26925716/ 2692 5719
Facsimile: + 91 79 26925710
Email: cs.denischem@gmail.com;
Website: www.denischemlab.com

Status of Complaints

- a. Total number of complaints received during FY 2014-15: Nil
- b. Total number of complaints received during FY 2015-16: Nil
- c. Total number of complaints received during FY 2016-17: three complaints were received of which two were resolved and the remaining one was resolved on April 15, 2017.
- d. Time normally taken for disposal of various types of investor complaints: 7-10(seven to ten) days
 - a. Share transfer process: Within 15 (fifteen) days after receiving full set of documents
 - b. Share transmission process: Within 21(twenty one) days after receiving full set of documents
 - c. Other Complaints: Within 7 to 10 (seven to ten) days from the receipt of the Complaint

Status of outstanding investor complaints

As on the date of this Letter of Offer, there were no outstanding Investor complaints.

Changes in statutory auditors during the last three years

There has been no change in the statutory auditors of our Company during last three years.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received 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. The above is subject to the terms mentioned under the heading titled '*Basis of Allotment*' in the chapter titled "*Terms of the Issue*" beginning on page 120 of this Letter of Offer.

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

The Rights Equity Shares proposed to be issued, are subject to the terms and conditions contained in this 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 erstwhile listing agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice or security certificate.

Please note that in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIB Investors, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000, complying with the eligibility conditions prescribed under the SEBI circular 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 above conditions may optionally apply through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) Investors whose application amount is not more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Rights Equity Shares 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 before making their application through the ASBA process. Please see “*Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process*” on page 133. Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-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.

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on April 13, 2017, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other provisions of the Companies Act.

Basis for the Issue

The Rights 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 i.e. September 9, 2017 fixed in consultation with BSE, i.e. Designated Stock Exchange.

Rights Entitlement

Eligible Equity Shareholder whose 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 Equity Shareholder as on the Record Date i.e. September 9, 2017, are entitled to the number of Rights 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 the 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 the Letter of Offer/Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/Abridged Letter of Offer/CAF that such person is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements will not be, in any restricted jurisdiction.

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10 each.

Issue Price

Each Rights Equity Share shall be offered at an Issue Price of ₹ 84 for cash at a premium of ₹ 74 per Rights 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 Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 (Two) Rights Equity Shares for every 11 (Eleven) Equity Shares held on the Record Date.

Terms of Payment

The full amount of ₹ 84 per shall be payable at the time of making the Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to the existing Eligible Equity Shareholders in the ratio of 2 (Two) Rights Equity Shares for every 11 (Eleven) 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 11 (Eleven) Equity Shares or is not in a multiple of 11(Eleven) 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 Rights Equity Share each, if such Equity Shareholders have applied for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Equity Shareholder holds 6 (Six) Equity Shares, he will be entitled to 1 (One) Rights Equity Shares on a rights basis. He will also be given a preferential consideration for the Allotment of 1 (One) Additional Rights Equity Share if he has applied for the same.

Also, those Equity Shareholders holding less than 6 (Six) Equity Shares and therefore entitled to 'Zero' Rights Equity Shares under this Issue shall be dispatched a CAF with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights 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 1 (One) and 5 (Five) Equity Shares, he will be entitled to zero Rights Equity Shares on a rights basis. He will be given a preference for Allotment of 1 (One) Additional Rights Equity Share if he has applied for the same.

Ranking

The Rights Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Rights Equity Shares issued under this Issue shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

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: 537536 under the ISIN-INE051G01012) and on ASE.

We have received "in-principle" approval for the listing of the Rights Equity Shares to be issued pursuant to the Issue in accordance with Regulation 110 of the Listing Regulations from the BSE and ASE pursuant to their letter dated June 30, 2017 and July 3, 2017 respectively.

The Rights Equity Shares proposed to be issued on a rights basis shall, in terms of SEBI Circular No. CIR/MRD/DP/21 /2012 dated August 2, 2012, be Allotted under a temporary ISIN 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 Rights Equity Shares proposed to be issued on a rights basis shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Rights 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 Rights Equity Shares shall be taken within 7 (seven) Working Days of finalization Basis of Allotment.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Letter of Offer. If such money is not repaid beyond 8 (eight) days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from the Stock Exchanges, or on expiry of 15 (fifteen) 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 8 (eight) days, be liable to repay the money, with interest as per applicable laws.

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 Rights Equity Shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act 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 Rights Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialised mode is one. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue one certificate for the Rights Equity Shares allotted to each folio (the “**Consolidated Certificate**”). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Eligible Equity 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 Rights 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 Rights 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 Rights Equity Shares; or
- to make such transfer of the Rights 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 Rights Equity Shares himself or herself, he/she shall deliver to our Company a notice in writing signed by him stating that he/she 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

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 Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the Allotment of Rights Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective

Depository Participant (“DP”) of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform their respective DP.

Arrangements for Disposal of Odd Lots

Our Company’s Rights Equity Shares are traded in dematerialised form only and therefore the marketable lot is 1 (one) 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 regional language 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 the Letter of Offer/Abridged Letter of Offer and the issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Rights Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 (fifteen) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 (eight) days after our Company becomes liable to pay the subscription amount (i.e. 15 (fifteen) 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 Promoters and Promoter Group

The following Promoters and the Promoter Group of our Company through their letters dated June 8, 2017 (the “**Subscription Letters**”) have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

1. Dr. Himanshu C. Patel
2. Ms. Anar H. Patel
3. Mr. Nirmal H. Patel

Further, the Promoters and Promoter Group may also apply for Additional Rights Equity Shares along with their Rights Entitlement and / or renunciation.

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 Rights Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Regulations. The members of the Promoters 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 in the Regulation 38 of the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled “*Objects of the Issue*” beginning on page 50 of this 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 Promoters and / or the members of our Promoter Group, the shareholding of our Promoters and/or Promoter Group in our Company exceeds their current shareholding.

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 the Equity Shareholders 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 Rights 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 nor the Lead Manager 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.

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 other Applicants whose application amount exceeds ₹ 2,00,000 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 (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) Investors whose Application Money is not more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees 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 Rights 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, please see under this chapter titled “*Terms of the Issue*” beginning on page 120 of this Letter of Offer.

The CAF consists of four parts:

- Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for Additional Rights Equity Shares;
- Part B: Form for renunciation of Rights Equity Shares;
- Part C: Form for application for renunciation of Rights Equity Shares by Renouncee(s);
- Part D: Form for request for Split Application Forms.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares to which the Shareholder is entitled.

If the Eligible Equity Shareholder applies for an investment in the Rights Equity Shares, then he/she can:

- Apply for his Rights Entitlement of Rights Equity Shares in full;
- Apply for his Rights Entitlement of Rights Shares in part (without renouncing the other part) ;
- Apply for his Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- Apply for his Rights Entitlement in full and apply for Additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights 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, please see the headings titled “*Mode of Payment for Resident Equity Shareholders / Applicants*” and “*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*” on page 131 of this Letter of Offer.

Additional Equity Shares

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights 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 this chapter titled “*Terms of the Issue*” beginning on page 120 of this Letter of Offer.

If you desire to apply for Additional Rights Equity Shares, please indicate your requirement in the place provided for Additional Rights Equity Shares in Part A of the CAF. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for Additional Rights Equity Shares. In terms of Regulation 6 of Notification No. FEMA 20/2000-RB dated May 3, 2000, 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.

Where the number of Additional Rights 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 Renouncees: (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.

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)/ Renouncee(s) obtaining the necessary regulatory approvals. Our Company has made an application to the RBI vide letter dated August 21, 2017 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 before Issue Opening Date, the renouncer/Renouncee 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 Renouncee 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 Renouncee 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 Renouncees 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 Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the Rights Entitlement 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 Renouncees, all joint Renouncees 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 the Rights Entitlement in part and renounce the balance, or (ii) renounce the entire Rights Entitlement under this Issue in favour of two or more Renouncees, the CAF must be first split 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 Rights Equity Shares, does not match with the specimen registered with our Company/Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign part 'C' of the CAF and submit the entire CAF to the any of the collection branches of the Bankers to the Issue 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 wishes to apply Rights Equity Shares jointly with other person(s), not being more than 3 (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 Renouncee(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 in the same sequence)
2.	Accept Rights Entitlement in full and apply for Additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to Additional Rights Equity Shares (All joint holders must sign in the same sequence)
3.	Accept a part of Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce Rights Entitlement to all the Equity Shares offered to more than one Renouncee.	Fill in and sign Part D (all joint holders must sign in the same sequence) 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 i) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. ii) For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee 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 Renouncees are considered as one)	Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign)
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.

In case of Rights Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Rights Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- 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 SAFs should be made for minimum of one Rights Equity Share or, in either case, in multiples thereof and one SAF for balance Rights Equity Shares, if any.
- Request by the Applicant for the SAFs should reach the Registrar on or before October 5, 2017.
- 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 Rights Equity Shares or Rights Entitlement under applicable securities laws.
- 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 NR/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, interest, export of share certifications, etc. In case a NR or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in reduced frequency, specifically once a week, on Mondays of every week from November 1, 2014 onwards. This would have an impact on timelines for the issuance of final certificates; hence 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.linkintime.co.in) 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 7 (seven) days prior to the Issue Closing 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 (Non – ASBA)

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, please see the headings “*Mode of Payment for Resident Equity Shareholders / Applicants*” and “*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*” on page 131 of this Letter of Offer. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super-scribed “Denis Chem Lab Limited – 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 Denis Chem Lab Limited;
2. Name and 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 Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for;
9. Number of Additional Rights Equity Shares applied for, if any;
10. Total number of Rights Equity Shares applied for;
11. Total application amount paid at the rate of ₹ 84 per Rights 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. Additionally, non-resident 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 (“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 Rights 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 Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights 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 Rights 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 Rights 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 Rights 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 October 12, 2017. 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 (thirty) 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 the Rights Equity Shares hereby offered, as provided under heading titled “*Basis of Allotment*” in this chapter titled “*Terms of the Issue*” beginning on page 120 of this 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 6 (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 “Denis Chem Lab Limited – Rights Issue - R” 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 “Denis Chem Lab Limited – Rights Issue - R”, 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 “Denis Chem Lab Limited – Rights Issue”. Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any. Applications through mail should not be sent in any manner except as provided above. The CAF along with the Application Money must not be sent to our Company or the Lead Manager. Applicants as 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:

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400083, Maharashtra, India.

Telephone: + 91 22 49186200; **Facsimile:** +91 22 49186195

Email: denischem.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: denischem.rights@linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

- 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.
- 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 “Denis Chem Lab Limited – Rights Issue - NR”, 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 “Denis Chem Lab Limited – Rights Issue”. Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.
- Payment by non-residents must be made by demand draft payable at Mumbai or Ahmedabad / cheque drawn on a bank account maintained at Mumbai or Ahmedabad or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or Ahmedabad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- 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;
- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at Mumbai or Ahmedabad;
- FIIs registered with SEBI must utilise funds from special non-resident rupee account;
- Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of “Denis Chem Lab Limited – Rights Issue - NR”, 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;
- 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

- 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 (“**NRO Account**”) maintained in Mumbai or Ahmedabad or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai or Ahmedabad. In such cases, the Allotment of Securities will be on non-repatriation basis.
- Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of “Denis Chem Lab Limited – Rights Issue - R”, 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;
- 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.
- 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 Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights 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 this 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 Manager, 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 other Applicants whose application amount exceeds ₹ 2,00,000, 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 (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) Investors whose Application Money is not more than ₹ 2,00,000 can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees 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.

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.

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?doRecognisedFpi=yes&intmId=34>. 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 Rights 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 Rights 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 1 (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 Rights Equity Shares

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights 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 this chapter titled “*Terms of the Issue*” beginning on page 120 of this Letter of Offer.

If you desire to apply for Additional Rights Equity Shares, please indicate your requirement in the place provided for Additional Rights Equity Shares in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, 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.

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.

Application on Plain Paper under the ASBA Process

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 "Denis Chem Lab Limited – Rights Issue - R" or "Denis Chem Lab Limited – Rights Issue - NR" as the case may be 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:

- Name of Issuer, being Denis Chem Lab Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ 84 per Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- 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;
- 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;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
- 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 Rights 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 Rights Equity Shares in Dematerialized Form

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS 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 this 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 Rights 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 Rights 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 ₹ 2,00,000 can participate in the Issue only through the ASBA process. The Eligible Equity Shareholders who are (i) not QIBs, (ii) not Non-Institutional Eligible Shareholders or (iii) investors whose application amount is not more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non 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/ 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.

- n) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under this chapter titled “*Terms of the Issue*” beginning on page 120 of this 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.

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 147 of this Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

- I. Application on a SAF (unless all the SAFs are used by the original shareholder).
- II. Application for Allotment of Rights Entitlements or Additional Rights Equity Shares which are in physical form.
- III. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- IV. Sending an ASBA application on plain paper to the Registrar.
- V. 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.
- VI. Renouncee applying under the ASBA Process.
- VII. Submission of more than five CAFs per ASBA Account.
- VIII. Insufficient funds are available with the SCSB for blocking the amount.
- IX. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- X. Account holder not signing the CAF or declaration mentioned therein.
- XI. 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.
- XII. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.
- XIII. QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for Securities in this Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialized form and is not a renouncer or a Renouncee not applying through the ASBA process.
- XIV. Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹ 2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.
- XV. Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.
- XVI. Submitting the GIR instead of the PAN.
- XVII. 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.
- XVIII. 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.
- XIX. ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- XX. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.
- XXI. 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 RIGHTS 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:	Thursday, September 28, 2017
Last date for receiving requests for SAFs:	Thursday, October 5, 2017
Issue Closing Date:	Thursday, October 12, 2017

The Board of Directors or a duly authorized committee thereof will 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 (thirty) days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, 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 Rights 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 Share each if they apply for Additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after Allotment under (a) above. If the number of Rights 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 Designated Stock Exchange 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 Rights Equity Shares. The Allotment of such Additional Rights 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 Rights Equity Shares will be at the sole discretion of our Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential Allotment.
- d. Allotment to Renouncees who having applied for all the Rights 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 Designated Stock Exchange, 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 10(4)(b) of the SEBI Takeover Regulations.

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:

- 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;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- 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 (fifteen) 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.

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 (fifteen) 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 2 (two) months 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.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NACH– National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
2. 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. RTGS – If the refund amount exceeds ₹ 2,00,000, 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 and payable at Mumbai, 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/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Applicant or respective beneficiary accounts within 15 (fifteen) 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 September 28, 2016 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 September 15, 2016 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 Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS 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 Rights 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 Rights 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 Rights 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, then the procedure prescribed under Regulation 39(4) of the Listing Regulations, which corresponds to the procedure specified in the SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009, shall be followed.
5. The Rights 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. Renouncees 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.

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 the heading titled "*Application on Plain Paper*" under this chapter titled "*Terms of the Issue*" beginning on page 129 of this 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 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.

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 stock invest are liable to be rejected.

- c) 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 IT Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- d) 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.
- e) 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.
- 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 Investors must sign the CAF as per the specimen signature recorded with our Company.
- g) 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.
- h) 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 Renouncees, 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.
- i) 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.
- j) 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 Agent 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.

- k) SAFs cannot be re-split.
- l) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.
- m) Investors must write their CAF number at the back of the cheque /demand draft.
- n) 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.
- o) 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.
- p) 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.
- q) The distribution of this 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 Letter of Offer and not to attempt to subscribe for Equity Shares.
- r) Investors shall be given an option to get the Equity Shares in demat or physical form.
- s) 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 Record 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 Renouncees);
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 renounce(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 the 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;
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 Renouncees 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 ₹ 2,00,000, not through ASBA process; and
22. Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 2,00,000 but has applied separately through SAFs of less than ₹ 2,00,000 and has not been undertaken through the ASBA process.

Please read this 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 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 Letter of Offer.

Investment by FPIs, FIIs and QFIs

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 Foreign Institutional Investors Regulations, 1995. 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.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the portfolio investment scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, 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 ₹ 2,00,000 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 ₹ 2,00,000 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”

Section 447 of the Companies Act further 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 June 14, 2016 and June 21, 2016 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE051G01012.

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 (fifteen) 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.

Utilizations 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 has 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 by the Designated Stock Exchange.

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 and ASE, Stock Exchanges where the Equity Shares are to be listed will be taken within 7 (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 (fifteen) 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 chapter titled “*Capital Structure*” beginning on page 42 of this 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. Our Company accepts full responsibility for the accuracy of information given in this 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 Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
7. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to Non-ASBA applications while finalising the basis of Allotment.

8. At any given time there shall be only 1 (one) denomination for the Equity Shares of our Company.
9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with this 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 “Denis Chem Lab Limited - Rights Issue” on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400083, Maharashtra, India.

Telephone: + 91 22 49186200; **Facsimile:** +91 22 49186195

Email: denischem.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: denischem.rights@linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

The Issue will remain open for a minimum 15 (fifteen) days. However, the Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

SECTION VIII – STATUTORY AND 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 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 Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection:

1. Issue agreement dated June 9, 2017 between our Company and Vivro Financial Services Private Limited.
2. Memorandum of Understanding / Registrar Agreement dated May 3, 2017 between our Company and Link Intime India Private Limited.
3. Escrow Agreement dated September 8, 2017 amongst our Company, the Lead Manager, the Registrar to the Issue and the Escrow Collection Banks.
4. Tripartite agreement dated June 21, 2016 between our Company, CDSL and Link Intime India Private Limited.
5. Tripartite agreement dated June 14, 2016 between our Company, NSDL and Link Intime India Private Limited.

B. Material documents for inspection:

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of Incorporation dated July 15, 1980 issued by Registrar of Companies, Ahmedabad, Gujarat.
3. Fresh Certificate of Incorporation dated April 29, 1982 consequent upon change of name issued by Registrar of Companies, Ahmedabad, Gujarat.
4. Resolution of the Board of Directors passed in its meeting dated April 13, 2017 in relation to this Issue and other related matters.
5. Copy of a resolution passed by our Board dated August 30, 2017 finalizing the Issue Price, Record Date and the Rights Entitlement Ratio.
6. Consents of our Directors, our Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to the Company and Banker to the Issue to include their names in this Letter of Offer and to act in their respective capacities.
7. Letter dated May 14, 2017 from the Statutory Auditors of our Company, M/s. Shah & Shah Associates, Chartered Accountants, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Letter of Offer.
8. Annual Reports of our Company for the Financial Years 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12.
9. Audited Financial Statements for the Financial Year 2016-17 dated May 26, 2017.
10. Due Diligence certificate dated June 9, 2017 from Vivro Financial Services Private Limited.
11. In-principle listing approval from BSE and ASE dated June 30, 2017 and July 3, 2017 respectively.
12. Observation Letter CFD/WRO/AKD/CF/1458/2017 dated August 22, 2017 issued by SEBI for the present Rights Issue.

Any of the contracts or documents mentioned in this 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

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, and instructions issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all the disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Dinesh B. Patel
(Non-Executive Chairman)

Dr. Himanshu C. Patel
(Managing Director)

Ms. Anar H. Patel
(Non-Executive and Non- Independent Director)

Mr. Gaurang K. Dalal
(Non-Executive and Independent Director)

Mr. Janak G. Nanavaty
(Non-Executive and Independent Director)

Ms. Gauri S. Trivedi
(Non-Executive and Independent Director)

SIGNED BY THE CHIEF EXECUTIVE OFFICER OF OUR COMPANY

Mr. Nirmal H. Patel
(Chief Executive Officer)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Vikram Joshi
(Chief Financial Officer)

Date: September 19, 2017
Place: Ahmedabad