



## STAR HEALTH SCIENCES INDIA LIMITED

CIN: U74120TG2014PLC093200

Our Company was incorporated as Star Health Sciences India Private Limited on February 26, 2014 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 093200. The status of our Company was changed to a public limited company and the name of our Company was changed to Star Health Sciences India Limited by a special resolution passed on August 06, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on August 24, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U74120TG2014PLC093200. For further details, please refer the chapter titled "History and Certain Corporate Matters" beginning on page no. 95 of this Draft Prospectus.

**Registered Office:** H. No. 1-2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003

**Tel No.:** +91 – 40 – 4011 9111; **Email:** cs@starhomeopathy.co; **Website:** www.starhomeopathy.com

**Contact Person:** Mr. Manish Kumar Shukla, Company Secretary and Compliance Officer.

**Our Promoters:** Dr. Amda Ramakrishna, Mrs. Ratnamala Kandula, Dr. Srinivasa Gupta Kandula, Mr. Satyavarapu Syamasundara Rao and Mr. Venkatesh Satyavarapu

### THE ISSUE

**PUBLIC ISSUE OF UP TO 12,48,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF STAR HEALTH SCIENCES INDIA LIMITED ("SHSIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH UP TO 66,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UP TO 11,82,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 31.22% AND 29.56%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS [●]TIMES OF THE FACE VALUE**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**

*For further details see "Issue Related Information" beginning on page no. 176 of this Draft Prospectus.*

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page no. 183 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 62 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the 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 the contents of this Draft Prospectus. **Specific attention of the investors is invited to "Risk Factors" beginning on page no. 10 of this Draft Prospectus.**

### COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares issued through the Draft Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an In-Principal Approval letter dated [●] from National Stock Exchange of India Limited for using its name in this offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of the Issue, the designated Stock Exchange shall be National Stock Exchange of India Limited ("NSE").

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



#### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor,  
Alkesh Dinesh Modi Marg, Fort,  
Mumbai – 400 001

**Tel No.:** +91 – 22 – 6216 6999

**Fax No.:** +91 – 22 – 2263 0434

**Email:** ipo@afsl.co.in

**Website:** www.afsl.co.in

**Investor Grievance Email:** feedback@afsl.co.in

**Contact Person:** Mr. Sumit Gupta/ Ms. Kruti Bhatt

**SEBI Registration No.** INM000011344



#### BIGSHARE SERVICES PRIVATE LIMITED

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai – 400 059

**Tel No.:** +91 – 22 – 6263 8200

**Fax No.:** +91 – 22 – 6263 8299

**Email:** ipo@bigshareonline.com

**Website:** www.bigshareonline.com

**Investor Grievance Email:** investor@bigshareonline.com

**Contact Person:** Mr. Srinivas Dornala

**SEBI Registration No.:** INR000001385

### ISSUE OPENS ON

### ISSUE CLOSES ON

[●]

[●]

## TABLE OF CONTENTS

<b>SECTION I – GENERAL</b>	<b>1</b>
DEFINITIONS AND ABBREVIATIONS	1
CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	8
FORWARD-LOOKING STATEMENTS	9
<b>SECTION II: RISK FACTORS</b>	<b>10</b>
<b>SECTION III – INTRODUCTION</b>	<b>27</b>
SUMMARY OF OUR INDUSTRY	27
SUMMARY OF OUR BUSINESS	30
SUMMARY OF FINANCIAL INFORMATION	34
THE ISSUE	38
GENERAL INFORMATION	39
CAPITAL STRUCTURE	46
<b>SECTION IV – PARTICULARS OF THE ISSUE</b>	<b>56</b>
OBJECTS OF THE ISSUE	56
BASIC TERMS OF THE ISSUE	61
BASIS FOR ISSUE PRICE	62
STATEMENT OF SPECIAL TAX BENEFITS	64
<b>SECTION V – ABOUT THE ISSUER COMPANY</b>	<b>66</b>
INDUSTRY OVERVIEW	66
OUR BUSINESS	74
KEY INDUSTRY REGULATIONS AND POLICIES	88
HISTORY AND CERTAIN CORPORATE MATTERS	95
OUR MANAGEMENT	99
OUR PROMOTERS, PROMOTER GROUP	111
OUR GROUP COMPANIES	117
CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES	122
DIVIDEND POLICY	123
<b>SECTION VI – FINANCIAL INFORMATION</b>	<b>124</b>
FINANCIAL STATEMENTS	124
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	143
FINANCIAL INDEBTEDNESS	151
<b>SECTION VII – LEGAL AND OTHER INFORMATION</b>	<b>152</b>
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	152
GOVERNMENT AND OTHER KEY APPROVALS	158
<b>SECTION VIII- OTHER REGULATORY AND STATUTORY DISCLOSURES</b>	<b>164</b>
<b>SECTION IX – ISSUE RELATED INFORMATION</b>	<b>176</b>
TERMS OF THE ISSUE	176
ISSUE STRUCTURE	181
ISSUE PROCEDURE	183
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	229
<b>SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b>	<b>230</b>
<b>SECTION XI – OTHER INFORMATION</b>	<b>244</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	244
DECLARATION	245

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
Star Health Sciences India Limited / SHSIL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Star Health Sciences India Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Hyderabad.
Promoter(s) / Core Promoters	<ul style="list-style-type: none"> <li>• Dr. Amda Ramakrishna</li> <li>• Mrs. Ratnamala Kandula</li> <li>• Dr. Srinivasa Gupta Kandula</li> <li>• Mr. Satyavarapu Syamasundara Rao</li> <li>• Mr. Venkatesh Satyavarapu</li> </ul>
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “Our Promoters and Promoter Group” on page no. 111 of this Draft Prospectus

#### Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Star Health Sciences India Limited.
Auditor of the Company (Statutory Auditor)	M/s. Ramasamy Koteswara Rao & Co. LLP, Chartered Accountants, having their office #8-2-293/82/JIII/573/M/1F, Road No. 82, Jubilee Hills, Hyderabad – 500 033
Audit Committee	The committee of the Board of Directors constituted on August 27, 2018 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Board of Directors / Board	The Board of Directors of Star Health Sciences India Limited, including all duly constituted Committees thereof.
Company Secretary and Compliance Officer	Mr. Manish Kumar Shukla
Director(s)	Director(s) of Star Health Sciences India Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Companies	<ul style="list-style-type: none"> <li>• Star Fertility Private Limited (SFPL)</li> <li>• Star Ayurveda and Homeopathi Private Limited<sup>(1)</sup> (SAHPL)</li> </ul> For details please refer the chapter titled “Our Group Companies” on page no. 123 of this Draft Prospectus
Key Management Personnel / KMP	Individuals described in the chapter titled “Our Management” on page no. 99 of this Draft Prospectus
MOA / Memorandum of Association	Memorandum of Association of Star Health Sciences India Limited.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on August 27, 2018 as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013
Registered Office	The Registered Office of our company which is located at: H. No. 1–2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003
Registrar of Companies / RoC	Registrar of Companies, Hyderabad situated at 2 <sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannam Nagole, Bandlaguda, Hyderabad - 500 068.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted on August 27, 2018 as our Company’s Stakeholders’ Relationship Committee.

Term	Description
Stock Exchange	Unless the context requires otherwise, refers to, the Emerge Platform of National Stock Exchange of India Limited.

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathi Private Limited has applied for striking off the name to the RoC, due to non operation of business.

#### Issue Related Term

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 58 of SEBI ICDR Regulations and appended to the Application Form
Allotment	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Draft Prospectus and the Application Form.
ASBA Application / Application	An indication to make an offer during the Issue Period by an Applicant pursuant to submission of the Application Form, to subscribe to the Equity Shares at a price as mentioned in the Prospectus, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Prospectus and Application Form
Banker(s) to the Company	[●]
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered into and in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “Issue Procedure” beginning on page no. 183 of this Draft Prospectus.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account.
Designated	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the

Term	Description
Intermediaries / Collecting Agent	CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Stock Exchange	National Stock Exchange of India Limited (“NSE”).
Draft Prospectus	This Draft Prospectus dated August 29, 2018 issued in accordance with the SEBI ICDR Regulations
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Draft Prospectus constitutes an invitation to purchase the equity shares.
Escrow Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar to the Issue and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “Objects of the Issue” beginning on page no. 56 of this Draft Prospectus
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of up to 12,48,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs by our Company.
Issue Closing date	The date on which the Issue closes for subscription being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being ₹ [●] per share.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker Reservation Portion	The Reserved portion of up to 66,000 Equity shares of ₹ 10 each at an Issue Price of ₹ [●] aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated August 27, 2018.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue of up to 11,82,000 Equity Shares of ₹ 10 each at ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by our Company.

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge Platform	Emerge Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Offered under Chapter XB of the SEBI ICDR Regulations.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Self-Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters and our Company dated August 27, 2018
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

#### Technical / Industry related Terms

Term	Description
ANDA	Abbreviated New Drug Application
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
BRICS	Brazil, Russia, India, China and South Africa
CAGR	Compound Annual Growth Rate
CAM	Complementary and Alternative Medicine
CFO	Chief Financial Officer
CMD	Chairman and Managing Director
CSO	Central Statistics Organization
CS & CO	Company Secretary and Compliance Officer
DONER	Development of Northeast Region
FY	Fiscal Year



Term	Description
GDP	Gross Domestic Product
HDUs	High Dependency Units
HR	Head Human Resource
ICUs	Intensive Care Units
IMF	International Monetary Fund
IMI	Intensified Mission Indradhanush
ISO	The International Organization for Standardization
KMP	Key Managerial Personnel
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
NAM	National AYUSH Mission
NASSCOM	National Association of Software and Services Companies
NIPi	Norway India Partnership Initiative
NNM	National Nutrition Mission
OH	Operations Head
PHCs	Primary Health Centres
R&D	Research and Development
SAHPL	Star Ayurveda and Homeopathi Private Limited
SFPL	Star Fertility Private Limited
USD	United States Dollar
WEO	World Economic Outlook
WHO	World Health Organization
WTD	Whole Time Director

#### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility

Term	Description
CST	Central Sales Tax
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act
DP ID	Depository Participant's identification
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNIs	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries of India
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non Resident External Account
NRIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA



Term	Description
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

## CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in “lakhs” units. One lakhs represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus are derived from our audited financial statements as on and for the Fiscal Year ended March 31, 2018, 2017, 2016, 2015 and 2014 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancy in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS 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.

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 10, 99 and 143 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### Currency, Units of Presentation and Exchange Rates

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

### Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 230 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus have been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft Prospectus are meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Healthcare Industry in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Healthcare Industry.
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- our dependence on patient footfalls;
- failure to obtain or retain the various approvals and licences required to operate our business;
- Our ability to manage risks that arise from above factors;
- Changes in government policies and regulatory actions that apply to or affect our business.
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks.

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 10, 74 and 143 of this Draft Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

## SECTION II: RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations on page nos. 74 and 143 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

### Materiality

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


1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material individually but may be found material collectively.
4. Some events may not be material at present but may be having material impact in future.


### INTERNAL RISK FACTORS

- 1. *We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “Key Industry Regulations and Policies” and “Government and Other Statutory Approvals” at page nos. 88 and 158 respectively of this Draft Prospectus.

2. ***Any infringement of our corporate logos “ or failure to get it registered may adversely affect our business. Our logo is not registered with Registrar of Trademark, this may impact our business operations. Further, any kind of negative publicity or misuse of our brand name and our logo could hamper our brand building efforts and our future growth strategy could be adversely affected.***

Our corporate logos “” are not registered with the Registrar of Trademarks. As on the date of this Draft Prospectus, we have not yet obtained registration for our logo and hence we do not enjoy the statutory protection accorded to a registered trademark.

We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. While 74.46% and 25.54% of our revenue was attributed to our brand –“Star Homeopathy” and “Star Ayurveda” respectively, we cannot guarantee that we will be able to make a lasting brand image with our patients and other people in the absence of a logo.

Although, we believe that that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, please refer to the chapter titled “*Our Business*” beginning on page no. 84 of this Draft Prospectus.

3. ***We are highly dependent on our management team and certain professional personnel. Any loss of such team members or the inability to attract or retain professional personnel may materially adversely affect our business performance and financial results too.***

Our success depends on the continued services and performance of the members of our management team and other key employees. We are highly dependent on our management team and other members of our senior management team, including some who have been with us since the establishment of the first Clinic /Branch. Demand for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. Besides, the healthcare industry requires senior personnel (except doctors) with a certain level of medical know-how, compassion and trust as they deal with various patients having different ailments. We cannot guarantee that we will be able to hire such experienced people in future and / or retain our existing experienced personnel. The loss of the services of our key managerial personnel could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition.

4. ***Our revenues are dependent on our branches, which are concentrated only in certain locations. The loss or disruption of operations of any of our branch may adversely affect our revenues and profitability.***

At present we derive our revenues from the 13 branches spread across 3 States in the Southern region of India. All our branches are located within the States of Telangana, Andhra Pradesh and Karnataka. Because of the concentration of our doctors and support staff and other resources at these locations, our results of operations could be materially and adversely affected if one or more of our branches are damaged as a result of a natural disaster, including an earthquake, flood, fire, or other event that disrupts our business or causes material damage to our property. Since we do not have any back-up facilities, it could be difficult for us to maintain or resume our operations quickly in the aftermath of such a disaster.

Further, our ability to operate all these branches depend our various factors like:

- availability of trained and experienced doctors
- availability of trained medical and support staff, including pharmacists
- ability to attract and retain patients for alternative treatments



- ability to provide the required medicine supply to all our branches on a timely manner and in the quantity required

Our revenues will be adversely affected if we are unable to meet any of the above requirements and maintain and continue any of our branch operations. The loss of any of the branches may have a material adverse effect on our business prospects and results of operations. Each branch contributes a significant portion of the total revenues and any loss or shut down of our branches will affect our total revenue.

Further, all our branches have been taken on lease and if we are not able to renew the lease agreements for these branches, we may lose our place of business or we may have to pay a higher amount of rent which will affect our cash flows and business operations. Further still, we cannot guarantee that we will be able to acquire a new property in the required location within our allocated budget or at all. In case we are not able to obtain such a new property for our branch, then we may not be able to maintain same line of revenue and thus adversely affect our financial condition. We are dependent on these facilities to continue to generate higher revenues and maintain a healthy financial position.

**5. *Our Company has not taken any insurance policy in regard to its branches and registered office, in the event of any material hazards our company may adversely affect our business, results of operations and financial condition.***

As on the date of Draft Prospectus, our Company has not taken any insurance policies in relation to any calamities. In the event of any uncertain events our business and other assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which will not be compensated by insurance. There can be no assurance that in the event of any hazards, whether we will be able to sustain our operations again within reasonable time frame . If our Company suffers a large loss we may be required to make substantial payments and our results of operations and financial condition may be adversely affected.

Further, if we are to obtain fresh insurance for all or some of our locations, we have to incur costs not yet provided for in our financials. Also, we cannot guarantee that we will be able to identify an insurance policy suitable to our needs within a reasonable premium. If we buy new policies we may have to put a strain on our existing cash flows and thus affect our results of operation and financial condition.

**6. *We rely on third-party suppliers and manufacturers for our medicines and medical ingredients, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity. Further, any discontinuation or recall of existing medical ingredient by the manufacturers could materially and adversely affect our business, financial condition, results of operations and cash flows.***

Our clinics / branches have an in-house pharmacist who is well trained in the homeopathy and / or ayurveda medicine. Our branches require large quantities of medicine ingredients to treat patients. These will need to be procured across our various locations on a regular basis and at certain quantities to be able to meet expected patient demand. This makes our business significantly dependent on these ingredient manufacturers, who deal with various homeopathy and Ayurveda clinics through an array of intermediaries, such as distributors and stockists. We do not have long term contracts for the procurement of such medicines and ingredients. Our suppliers have no obligation to supply medicines to us, or to negotiate any rates with us. They may choose not to renew existing arrangements, which will result in our inability to procure medicines and medicinal ingredients for our clinics / branches. Further, our ability to obtain medicinal ingredients of sufficient quantities is limited by manufacturers' production and the demand for such ingredients in the market generally. A number of micro and macro economic factors impact the production and supply chain for medicinal ingredients and these have a direct bearing on the prices, the availability and our ability to procure such medicines or medicinal ingredients from our distributors at competitive rates. Our continued financial well-being is dependent on the markets in general and suppliers in particular. Refusal to supply to us or increase in the prices charged for medicinal ingredients may significantly impact our business and financial condition.

**7. *We have not yet identified the exact properties proposed to be acquired from the Issue proceeds as part of our expansion plans.***

One of our main objects of the Issue is to set up new branches to expand our business in South India. Accordingly, we intend to set-up ten new clinics / branches across three (3) States to reach out to our existing patients and to



various potential patients, which will be funded entirely by the issue proceeds of this Issue. For further details regarding such utilization, please refer to the section titled “*Objects of the Issue*” beginning on page no. 56 of this Draft Prospectus. This deployment forms approximately [●]% of the Issue Proceeds. Settings up of these new branches require us to acquire properties on rent / lease basis in all the ten locations. We have not yet entered into any definitive agreements to utilize the funds allocated for acquisitions. There can be no assurance that we will be able to conclude definitive agreements for such expenditures on terms anticipated by us. As on the date of this Draft Prospectus, we have not yet identified specific properties to be leased / rented.

However we have estimated the cost on the basis of our internal management estimates and other publically available data. There can be no assurance that when we implement the buying or leasing of the property, we will get the same rates.

If the actual utilization towards any of the aforesaid objects is higher than what is stated in the “*Objects of the Issue*”, such increased fund requirements will be financed by surplus funds, if any, available in respect of the other purposes. In the event of a shortfall, the fund requirements will be met from internal accruals / owned funds. We cannot guarantee that such alternate arrangements would not be a strain on our financial condition and cash flows and that we will be available to fund any such shortfall. We may also have to opt for external borrowings which may increase our interest and other financial expenses, thus adversely affecting our profitability and financial condition.

For any further details on the Objects of the issue and Utilization of issue proceeds, please refer the section titled “*Object of the Issue*” on page no. 56 of this Draft Prospectus.

8. ***Our Company is yet to place orders for all the furniture & fixtures aggregating to ₹ 172.00 lakhs and computer systems and related equipments, aggregating to ₹ 29.00 lakhs required towards our proposed expansion and renovation. Any delay in placing the orders or their supply thereof may result in cost and time overrun and thereby affect our profitability***

The Issue proceeds are proposed to fund the planned expansion and renovation of existing clinics / branches as explained in the section “*Objects of the Issue*” beginning on page no. 56 of this Draft Prospectus. Our Company, propose to acquire furniture and fixture aggregating to ₹ 172.00 lakhs and computer systems and related equipments aggregating to ₹ 29.00 lakhs which is [●]% and [●]% of the total cost of the expansion and renovation. Our Company has not yet placed any orders for either the furniture and fixtures or the computer systems and related equipments required. Therefore, our Company is subject to risks on account of inflation in the price of such furniture and fixtures and computer systems. Any delay in placing the orders or their supply thereof may result in cost and time overrun.

9. ***We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

We operate in a competitive environment. In most markets, we are required to compete with clinics and dispensaries of varying sizes and with ability to perform different kinds of services, some or all of which we may or may not be able to offer. Our ability to compete in a given market is driven significantly by the extent and depth of diagnosis and procedural capabilities of our competitors and the complexities involved. The healthcare industry is driven by, amongst others, brand value and reputation, including skills of our resident and particular consulting doctors. We are constantly required to evaluate and increase our competitive position in each of our markets; including requiring meeting industry standards as regards compensation for doctors other support staff and offering our patients competitive rates for diagnosis, treatment and procedures. We are continually required to hire better talent, which comes at a significant cost. As a result, we may have to lower our profitability levels and continue to strive to compete with our competition on all fronts.

We are also in direct competition with the main stream medicine and treatment. A large number of people are still ignorant about the benefits, therapeutic capability and the healing capacity of Homeopathy and Ayurveda. If more patients are attracted to the main-stream medicine which offers quick (but short-term) satisfaction, then we may lose our patients which will result in lower revenues and an adverse financial scenario. Our competitive position in a market therefore significantly impacts our market share, business, financial condition, results of operations and future prospects.

**10. Majority of our resident doctors are not our employees. Our arrangements with such doctors are on a monthly fee basis. There is no assurance they will continue to provide services to us on an ongoing basis.**

Majority of the doctors who provide their services in our clinics on a full time basis are not on the payrolls of our Company. They are appointed on a monthly fee basis and do not earn any other remuneration from our Company. Though, we assist and help doctors to work as per our organisation working environment, but we do not have any long term association agreement with them and they may leave our organisation at anytime. We cannot assure you that they will be working with us on the same terms and conditions or will continue working with us at all. Patients often feel comfortable with certain doctors due to various reasons and if any of our doctors discontinue it may affect the patient's decision to continue treatment with us. Also, we cannot assure you that any replacement of such an out-going doctor will be able to gain the trust, faith and treatment abilities required to retain and attract the patients. Any loss of patients due to un-availability of doctors may adversely affect brand, our business operations and eventually our financial conditions and results of operations.

Also, we do not have agreement with any of our visiting / consulting doctors, obligating them to visit our clinics for any fixed period of time. These doctors do not work exclusively with us and are permitted to engage in private practice and other clinic visits outside of our business. There is no assurance that our visiting doctors will continue to provide services to us or devote the required time to our clinics. We may, as a result, be unable to effectively utilise their time and expertise in providing services to our patients. Any significant change to the number or quality of the visiting doctors we engage or are able to retain, could materially impact our revenues, profits and financial condition.

**11. Our Company has incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.**

As on March 31, 2018, we had ₹ 39.02 lakhs of outstanding debt on our balance sheet (including current maturities) from various banks and financial institutions. In the event that we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds. Further, our level of indebtedness has important consequences to our Company, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry; affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and

If any of these risks were to materialise, our business and results of operations may be adversely affected.

**12. Our Company has reported certain negative cash flows from its operating, investing and financing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.**

Our Company had reported certain negative cash flows from its operating, investing and financing activities in the previous years as per the restated financial statements and the same are summarized as under:

( ₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Cash flow from Operating Activities	164.57	144.88	173.56	435.25	(0.37)
Cash flow from Investing Activities	(164.45)	(105.94)	(206.08)	(428.94)	-

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Cash flow from Financing Activities	4.19	(44.49)	31.62	-	1.00

For details, please refer “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations of our Company*” on page no. 143 of this Draft Prospectus.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**13. *We have in the past ceased operations and / or decommissioned clinics / branches out of certain facilities and may be required to do so in the future. We may not be able to successfully operate our clinics in our proposed locations particularly in Tier II and Tier III cities, which could adversely affect our business, financial condition, results of operations and prospects.***

We are continually impacted by economic and social factors in each of the locations we operate and propose to operate out of. Our management decisions are influenced significantly by our current financial condition, expectations of future growth and our perception of opportunities, together with associated risks and costs. The foregoing factors may not enable us to successfully operate our clinics / branches as we would expect to. Our strategies may also change over a period of time, including having to exit certain markets, based on our administrative convenience, experience with implementation and other market factors. For instance, we have ceased operations at our branches in Guntur in, Andhra Pradesh and Tolichowki in Hyderabad, Telangana, in the year 2017. Though we started operations in the same city at a different location, the said shifting of premises involved costs, time and other resources, including in-convenience of our patients due to the said shift of location.

As part of our objects of this Issue, we intend to expand our business operations in 10 different locations across the 3 States of Telangana, Andhra Pradesh and Karnataka. We may have to cease operations out of such new facilities in case the same fail to meet our expectations, while seeking to deploy our resources in more attractive opportunities. You should expect that the cessation of operations, depending on the size and scale of the facility, will impact our operating results, such as revenues and profits. Changes in our location may require additional capital expenditure or writing-off deposits / investments already made. Constraints around successfully operating all our current and proposed clinics / branches could adversely affect our business, financial condition, results of operations and prospects.

**14. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoter) and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoter) and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

**15. *Any failure in our IT systems could adversely impact our business.***

We use in-house software for the collection and storage of data of all the patients for providing on line reports and services to the doctors as well as to the patients. Our Company maintains a software for storage of the details of all its patients through an real-time software built exclusively for in-house use. The software has two divisions - one which maintains the call records of the patient and the other that maintains patient’s database. Each visit by a patient and the outcome of the visit is entered into his case sheet along with his diagnosis, present disease,

medication prescribed, current status and other relevant details. If this software malfunctions, or is corrupted or any other technical issue arises, we may not be able to revive our patient's data, resulting in our patients doubting our quality of service. We may not be able to retain many of our patients, and also we face the risk of improper medication due to lack of data. If any of the above situations materialise, we will be adversely affected leading to inconvenience and other financial losses eventually impacting our business operations and financial results.

***16. We may be subject to liabilities arising from claims of malpractice and medical negligence which could materially and adversely affect our reputation and prospects.***

We are exposed to the risk of legal claims and regulatory actions arising out of the medical services provided by us. Additionally, we rely on our doctors and other healthcare staff at our clinics / branches to make proper clinical decisions regarding the diagnosis and treatment of our patients. However, we do not have direct control over the clinical activities of our doctors and other healthcare staff, as their diagnoses and treatments of patients are subject to their professional judgement, and in most cases, must be performed on a real time basis. Any incorrect clinical decisions or actions on the part of our doctors and other healthcare staff or any failure by us to properly manage their clinical activities may result in unsatisfactory treatment outcomes, delayed treatment timeframe and / or patient injuries or possibly patient death. Current or former patients or their families may commence or threaten litigation for medical negligence or malpractice against us. If such claims succeed, we may become liable for damages and other financial consequences and may even be exposed to criminal liability, which may materially and adversely affect our reputation, financial condition and results of operations.

Additionally, our proposed research and development tie-ups may cause us to administer medicines which may not be sufficiently effective or effective at all for certain patients resulting in personal injury, prolonged ailment / sickness. We could be held liable and may be required to pay damages, for errors or omissions in connection with such new medications we administer with respect to our proposed R & D.

In addition, the reputational consequences of any claims may materially and adversely affect our business, reputation and operations. Regardless of their validity, negative publicity arising from such claims may tarnish our professional standing and market reputation and/ or that of the doctors and other healthcare staff involved, and may affect the number of new patients registered and treated, and the amount of revenue generated, by us.

***17. If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.***

We are in the process of expanding and improving our business operations. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, availability of experienced doctors, our ability to maintain patient satisfaction, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper main-stream treatments, competition within India's healthcare industry from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations. Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, our revenue from services may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of patient preferences during our expansion of new branches, implementation of new services and improving our existing facilities. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

**18. *The acquisition of other companies, businesses or technologies in the future could result in operating difficulties, integration issues and other adverse consequences due to our limited past experience in acquiring businesses.***

We have acquired an ongoing business of Homeopathy and Ayurveda establishments from the partnership concern of some of our Promoters, M/s. Star Health Sciences in the year 2014, thus corporatizing the business. This enabled us to have a greater reach with various patients and also educate them regarding the benefits of alternative treatment methods and expand our geographic presence in existing States.

To foster our growth, we may consider making additional acquisitions in the future to expand our business. However, we have limited experience in acquiring businesses, and any acquisitions we undertake could limit our ability to integrate an acquired business and may create unforeseen operating difficulties and expenditures, including potentially dilutive issuances of the Equity Shares, incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill, difficulties in integrating the operations, technologies, research and development activities, personnel and distribution, marketing and promotion activities of acquired businesses and ineffectiveness or incompatibility of acquired assets.

Further; when we acquire businesses we may have to pay a certain amount of premium to the outgoing management / shareholders for synergic benefits that we may accrue compared to standalone valuations of those firms / businesses / companies. Even though we obtain third party valuation reports prior to acquiring any businesses / companies; and we may in the future also obtain valuation reports for acquisitions we may undertake; however; valuations are subjective in nature and one cannot be sure of correctness of the same.

Our inability to identify suitable acquisition opportunities or adequately priced acquisitions, entering into agreement with such parties or obtain the necessary financing to make such acquisitions could adversely affect our future growth. Moreover, the costs of identifying and consummating acquisitions may be significant. Also, acquired assets or businesses may not generate the financial results we expect. We may also have to obtain approvals and licenses from the relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased costs and delay. We cannot assure you that we will be able to achieve the strategic objective for such an acquisition. Furthermore, if an acquisition generates insufficient revenues or if we are unable to manage our expanded business operations efficiently, our results of operations could be materially and adversely affected.

**19. *Our Company has limited operational history in the business of Management Partnership and Branch model of the business.***

Our company was incorporated on Feb 26, 2014 and has thus has a limited history in Clinical Establishment model of business. We have acquired the business of M/s. Star Health Sciences thus taking control of the branch model of the existing business. We cannot guarantee that we will be able to obtain 100% success in the management of this model and also in the future expansion that we may undertake. However our Promoter / Director, Dr. Amda Ramakrishna and Dr. Srinivasa Gupta Kandula are well experienced in this business and we depend on their expertise to achieve success in our Company. If we are unable to effectively manage our operations or pursue our growth strategy, our business, financial condition, results of operations and prospects may be adversely affected.

**20. *Premises used by our Company including our Registered Office and all other Branches are not owned by our Company.***

The premises used by our Company as its Registered Office is taken on lease and / or on leave & license basis. Agreements and Lease Deeds entered into between our Company and various third parties for the facilities / premises have varying tenures ranging from 11 months to 9 years. There can be no assurance that these agreements will be renewed upon expiry or on terms and conditions acceptable to us. Any defaults in complying with the terms and conditions as written in the agreement on our part, may be subjected to penal provisions and it may also lead to the cancellation of such agreement, which will adversely affect our business operations and eventually our financial conditions and results of operations.

Further, all our 13 Branches operating in the state of Telangana, Andhra Pradesh and Karnataka have premises taken on lease and / or on leave & license basis. Some of these agreements have specific clauses for increase in rent after every fixed period of time and the same may increase our overall expenditure on rent. If we are unable to sustain and increase our income from such locations, we may not be able to cover our rental expenses, leading to negative cash flows and an adverse financial position. Further, our market presence may be impacted by reason of



our inability to continue operations at a particular location and we may lose patients to our competition in such locations. Our revenues and financial condition will be impacted significantly as a result of the above. For further details please refer to the chapters titled “*Our Business - Properties*” beginning on page no. 86 of this Draft Prospectus.

**21. *There may be potential conflict of interests between our company and other venture or entities / enterprises promoted by our promoters or directors.***

We are heavily dependent on our executive directors and their expertise for our strategic as well as day to day operations. The Director of our Company, Dr. Amda Ramakrishna and Mrs. Ratnamala Kandula are involved in the management of our Group Companies which are involved in a similar line of business and their main objects have clauses which allows them to pursue similar line of activities as our Company.

In case of a conflict between us and or any other entity in which our Directors or our Promoters are interested, our Promoters / Directors may favour such other companies over us. Further, there may be situations in which they are unable to allocate sufficient time to our Company or effectively participate in the management of our Company, which could have a material adverse effect on our business. If any such actual or perceived conflicts of interests are not resolved suitably, our business, results of operations and/or the interest of our other shareholders may be adversely affected. For further details, please see “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on page nos. 99 and 111 respectively of this Draft Prospectus.

**22. *We may not be able to successfully continue our business growth and implement business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. We have successfully executed our business strategies in the past but there can be no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted tie-up with the Doctors/Hospitals. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook.

Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company’s share price.

**23. *Our Company’s failure to maintain the quality standards of the services could adversely impact our business, results of operations and financial condition.***

Any failure to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our services will always be able to satisfy our patients’ quality needs. Any negative publicity regarding our Company, or its treatment / services, could adversely affect our reputation, our operations and our results from operations. Also, rapid change in our patients’ expectation on account of changes in medication or introduction of new medication and treatment procedures or for any other reason and failure on our part to meet their expectations could adversely affect our ability to attract patients, thus adversely affecting our business operations. While, we believe that we have introduced new treatment procedures and medication as and when available, we cannot guarantee that our future plans to involve in research and development activities for such improvement will be successful. Our failure to anticipate or to respond adequately to changing market demands, changing treatment preferences and/or patient requirements could adversely affect our business and financial result.



- 24. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.**

The deployment of the funds towards the objects of the Issue is entirely at the discretion of the Board and our Board will monitor the utilisation of Net Proceeds through its Audit Committee. Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilised, clearly specifying the purpose for which the Net Proceeds have been utilised. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our operational and financial performance.

Because our Fresh Issue size is less than ₹ 1,000 million, we are not required to appoint a monitoring agency under the SEBI ICDR Regulations. Hence, the deployment of the Net Proceeds will be at the discretion of our Company and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Additionally, various risks and uncertainties, including those set out in this "Risk Factors" section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business. Furthermore, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Offer and our business and financial results may suffer.

- 25. We have not identified any alternate source of raising the funds mentioned as our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans and financial performance. Further in case of any delay in the completion of the Issue, there would be a corresponding delay in implementation schedule.**

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and financial performance. The delay/shortfall in receiving these proceeds could result in inadequacy of funds.

The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to consider alternative source for meeting the fund requirement. We therefore, cannot assure that we would be able to execute the proposed investment plan within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and financial performance.

- 26. We may require additional funding to finance our operations, which may not be available on terms acceptable to us, or at all, and if we are able to raise funds, the value of your investment in us may be negatively impacted.**

We operate in a capital intensive industry and require additional funding to finance our operations and growth strategies. Sources of additional financing may include commercial bank borrowings, vendor financing, or the sale of equity or debt securities. There can be no assurance that we will be able to obtain any additional financing on

terms acceptable to us, or at all. The cost of raising capital is high and any additional funding we obtain may strain our cash flows and financial condition.

Our ability to raise additional financing in the future is subject to a variety of uncertainties, including but not limited to:

- our future financial condition, results of operations and cash flows;
- general market conditions for debt financing and capital raising activities; and
- economic, political and other conditions in India.

If we raise additional funds through equity or equity-linked financing, your equity interest in our Company may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service such debt obligations or are unable to comply with any of the covenants thereunder, we could be in default under such debt obligations and our liquidity and financial condition could be materially and adversely affected.

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

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

***28. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

***29. Our employees may unionize in the future, thereby restricting the flexibility of our labour policies.***

As on date, our employees are not represented by any labour union. However, our employees may unionise in the future. While we consider our current labour relations to be satisfactory there can be no assurance that we will not experience future disruptions to our operations due to disputes including strikes, work stoppages, or increase wage demands by our employees or other problems with work force which may adversely affect our business or operations. In that case, there may be restrictions on the flexibility of our labour policies.

***30. Our Promoter and Promoter Group will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

After the completion of Initial Public issue of up to 12,48,000 new equity shares to general public still, our Promoter and Promoter Group may beneficially own approximately 52.65 % of our post-Issue equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or

discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**31. We have issued Equity Shares during the last one year at a price that may be below the Issue Price**

We have issued certain Equity Shares in the last twelve months, at a price that may be lower than the Issue Price. Details of such issuances are given in the table below:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
May 05, 2018 <sup>(1)</sup>	Mrs. Ratnamala Kandula	2,47,500	10	Nil	Bonus Allotment
	Dr. Amda Ramakrishna	2,47,500			
	Dr. Srinivasa Gupta Kandula	2,47,500			
	Mr. Satyavarapu Venkatesh	49,500			
	Mr. Satyavarapu Syamasundara Rao	49,500			
	Mr. Satyavarapu Narasinga Rao	49,500			
	Mr. Chandavaram Ramarao	49,500			
	Mrs. Satyavarapu Mani	49,500			
June 01, 2018	Mrs. Ratnamala Kandula	3,00,000	10	10	Further Allotment
	Dr. Amda Ramakrishna	3,00,000			
	Dr. Srinivasa Gupta Kandula	3,00,000			
	Mr. Satyavarapu Venkatesh	60,000			
	Mr. Satyavarapu Syamasundara Rao	60,000			
	Mr. Satyavarapu Narasinga Rao	60,000			
	Mr. Chandavaram Ramarao	60,000			
	Mrs. Satyavarapu Mani	60,000			
August 02, 2018	Mrs. Vijaya Lakshmi M.	2,00,000	10	10	Further Allotment
	Mr. Prasad Rao K.	1,00,000			
	Cirkil C Contrakts Private Limited	1,00,000			
	Mr. Satyavarapu Narasinga Rao	25,000			
	Mrs. Satyavarapu Mani	25,000			
	Mrs. Ratnamala Kandula	20,000			
	Dr. Amda Ramakrishna	20,000			
	Dr. Srinivasa Gupta Kandula	20,000			
	Mr. Satyavarapu Venkatesh	20,000			
	Mr. Satyavarapu Syamasundara Rao	20,000			

For Further details of equity shares issued, please refer to the section titled “*Capital Structure*” beginning on page no.46 of this Draft Prospectus.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting

staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

## **RISK FACTORS RELATED TO EQUITY SHARES**

### ***33. Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

### ***34. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.***

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares of our Company. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Draft Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of Textile companies generally;
- Performance of our competitors in the Indian textile industry and the perception in the market about investments in the textile sector;
- Significant developments in the regulation of the textile industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share

Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

### ***35. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financial arrangements.***

As with any business, our ability to generate returns for Shareholders is dependent on a host of factors that impact our business and financial condition. Our Company has not paid any dividend on its Equity Shares during the last five Financial Years. The amount of future dividend payments, if any, will depend upon a number of factors, such as our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, capital expenditures and cost of indebtedness. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing

agreements our Company may enter into. Even in years in which we may have profits, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. The declaration of dividends in the future will be recommended by our Board of Directors, at its sole discretion. We may also require the consent of our lenders to be able to declare dividend, which consent may be withheld by our lenders in their absolute discretion. There can therefore be no assurance that we will be able to pay dividends in the future. For further details, see section "Dividend Policy" on page no. 123 of this Draft Prospectus.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Any gain realized on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, may be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

**EXTERNAL RISK FACTORS**

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Draft Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such



provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

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

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 88 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

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

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

**41. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

**42. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in Nifty, NSE’s/ SENSEX, BSE’s benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.



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

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

**44. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.**

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, 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. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

**PROMINENT NOTES**

- Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

- The Net Worth of our Company is ₹ 101.77 lakhs<sup>(1)</sup> and the book value of each Equity Share was ₹ 1,017.76<sup>(1)</sup> as on March 31, 2018 as per our Restated Financial Statements. For more information, please refer the Section titled "Financial Information" beginning on page no. 124 of this Draft Prospectus.

<sup>(1)</sup> As on March 31, 2018, the Company's paid-up equity capital consists of 10,000 number of fully paid up equity shares of face value ₹ 10/- each. Our Company has after March 31, 2018 allotted an aggregate of 27,40,000 Equity Shares of ₹ 10/- each. Considering the above allotments, the pre- issue Net worth and NAV as on date of this Draft Prospectus should be read as ₹ 276.78 lakhs and ₹ 10.06 per share, respectively, after adjusting for these events.

- Public Issue of upto 12,48,000 Equity Shares for cash at price of ₹ [●] per share including a premium of ₹ [●] aggregating to ₹ [●] lakhs. The Issue will constitute [●] % of the post-issue paid-up Equity Share capital of our Company.

- The average cost of acquisition of Equity Shares by our Promoters is:

Promoter	Average cost (₹)
Mrs. Ratnamala Kandula	5.66
Dr. Amda Ramakrishna	5.66
Dr. Srinivasa Gupta Kandula	7.37
Mr. Satyavarapu Venkatesh	7.69
Mr. Satyavarapu Syamasundara Rao	7.69

- Investors are advised to refer to the chapter titled "Basis for Issue Price" beginning on page no. 62 of this Draft Prospectus.
- The details of transactions by our Company with our Group Companies or associate during the last year are disclosed under "Annexure XXIII - Related Party Transactions" under Restated Financial Statements beginning on page no. 139 of this Draft Prospectus.

7. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.
8. Our Company was incorporated as Star Health Sciences India Private Limited on February 26, 2014 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 093200. The status of our Company was changed to a public limited company and the name of our Company was changed to Star Health Sciences India Limited by a special resolution passed on August 06, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on August 24, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U74120TG2014PLC093200

## SECTION III – INTRODUCTION

### SUMMARY OF OUR INDUSTRY

#### OVERVIEW OF GLOBAL HOMEOPATHIC INDUSTRY

##### EVOLUTION

Homeopathy is a system of natural medicine introduced and developed by a German physician, Samuel Hahnemann, at the end of the 18th century. Recognizing that the whole person-mind, body, spirit-is affected when there is illness; homeopathy seeks to treat that whole person. The focus is not the diseased part or the sickness, rather the totality of the individual. Homeopathic medicines, or 'remedies', stimulate the body's self-regulating mechanisms to initiate the healing process.

(Source: [http://wholehealthnow.com/homeopathy\\_info/](http://wholehealthnow.com/homeopathy_info/))

##### CURRENT SCENARIO

Homoeopathy is currently used in over 80 countries. It has legal recognition as an individual system of medicine in 42 countries and is recognized as a part of complementary and alternative medicine in 28 countries. Three out of four Europeans know about Homoeopathy and of these, 29 percent use it for their own health care. Studies have identified Homoeopathy to be the most frequently used CAM therapy for children in European countries.

(Source: <http://ccrhindia.nic.in/admnis/admin/showimg.aspx?ID=12783>)

Homeopathic medicines are uniquely recognised within European Union pharmaceutical legislation by two directives (92/73/EEC & 92/74/EEC) which acknowledge the particular nature of homeopathic medicines and give them special status and requirements alongside the rest of conventional pharmacy. The main difference in requirements is that for single homeopathic medicines for which no therapeutic claim is made proof of efficacy is not required for them to be licensed and be put on the market. There are currently some 3000+ remedies listed in the homeopathic materia medica. This list is continually being added to as new medicines are 'proved' i.e. tested, for their therapeutic potential on groups of healthy humans.

(Source: <http://homeopathy-ich.org/public-services.html>)

##### Key Findings

- The global homeopathy market is expected to reach USD 31459.6 million by 2023 at a CAGR of 14.60%
- Tincture is the fastest growing segment, which is projected grow at a CAGR of 14.82% during the forecast period from 2017-2023
- The Europe captured the largest share of the global market and is expected to reach USD 11347.7 million by 2023.
- The Middle East & Africa is the fastest growing region across the globe and is expected to grow at a CAGR of 16.09% during the forecast period.

(Source: <https://www.marketresearchfuture.com/reports/homeopathy-market-4970>)

Worldwide, over 200 million people use homeopathy on a regular basis. Homoeopathy is currently used in over 80 countries. It has legal recognition as an individual system of medicine in 42 countries and is recognized as a part of complementary and alternative medicine in 28 countries. The WHO states that Homeopathy is the second most used medical system internationally, with over \$1 Billion in expenditures for such therapy. According to World health Organisation, Homeopathy is the fastest-growing and second-most widely-used system of medicine in the world.

(Source: <https://homeopathy360.com/2017/08/11/interesting-statistics-of-homeopathy-in-india-2016-17/>)

#### OVERVIEW OF THE GLOBAL AYURVEDIC INDUSTRY

In Western medicine, ayurveda is classified as a system of complementary and alternative medicine (CAM) that is used to complement, rather than replace, the treatment regimen and relationship that exists between a patient and their existing physician.

(Source: <http://neiah.nic.in/ayurveda.html>)

##### EVOLUTION

The word Ayurveda derived from *AYU* and *VEDA*. *AYU* means life *VEDA* means science or knowledge. Ayurveda means the science of life. Charaka defines "That science is designated as Ayurveda which deals with advantage and

disadvantage as well as happy and unhappy states of life along with what is good and bad for life, its measurement and the life itself (Charaka Sutra)" Ayurveda embraces all living things, animate and inanimate. It is divided into three main branches viz., Nara Ayurveda dealing with human life, Satva Ayurveda the science dealing with animal life and its diseases, Vriksha Ayurveda the science dealing with plant life, its growth and diseases. It is amply clear that Ayurveda is not only a system of medicine but also a way of life for complete positive health and spiritual attainments.

(Source: [https://www.nhp.gov.in/introduction\\_mtl](https://www.nhp.gov.in/introduction_mtl))

## **CURRENT SCENARIO**

Ayurvedic Products are known to have less side effects and helps in the detoxification of the harmful toxins in the body. Increasing adoption of traditional methods for medicinal purpose has given a boost to the Ayurvedic products market fueling up its market share. Ayurvedic Products are majorly classified into personal care and healthcare products. Increasing working women population and their inclination towards chemical-free herbal cosmetics are one of the major drivers of Ayurvedic personal care products. Ayurvedic healthcare products are used widely to cure asthma, allergies, hypertension, insomnia, nervous disorders, inflammation and others.

(Source: <https://www.marketresearchfuture.com/reports/ayurvedic-products-market-4183>)

### **Key Factors**

Some of the key factors favoring the market growth include, increasing demand for natural and organic products, expanding medical tourism across the globe, rising consumer awareness and growing demand for ayurvedic cosmetics products. Organic skincare products are achieving fast grip and the market is anticipated to expand even further. In addition to expanding consumer base, anti-ageing and anti-wrinkle creams are anticipated to fuel the market growth. However, lack of a killer instinct in ayurvedic industry, lack of optimum therapeutics and stringent regulations are some of the key barrier which is limiting the market size. Moreover, practical developments in ayurvedic medicines will offer great investment opportunities for players in the market.

(Source: <http://www.orbisresearch.com/reports/index/ayurvedic-global-market-outlook-2016-2022>)

### **Key Findings**

- Market share of vegan Ayurvedic Products is found to be growing at a higher rate during the forecast period owing to rising population of vegan consumers
- Top exporters of Ayurvedic Products include the India, U.S., France, Germany and U.K.

(Source: <https://www.marketresearchfuture.com/reports/ayurvedic-products-market-4183>)

## **OVERVIEW OF INDIAN HOMEOPATHIC & AYURVEDIC INDUSTRY**

### **Introduction**

India, being a country with a huge population, must take pragmatic decisions when it comes to managing the health of its citizens. One of its most recent decisions is to draft a national policy for AYUSH (which includes the five disciplines of Ayurveda, Yoga, Unani, Siddha and Homeopathy) under the universal health insurance scheme, thereby integrating the 5 disciplines into the public health system. This move has been supported at the top level of the Indian Government, including the Indian Prime Minister.

### **Formation of “AYUSH”**

With the new national policy the Indian Government aims to promote India as a centre of excellence for the AYUSH systems and harness their potential for improving primary and preventive health care. The policy aims at making the AYUSH systems the preferred choice of treatment in primary care and will set specific targets for regulation and research as well as set standards for AYUSH medicines and treatments. A very conscious aim of the strategy is to fill the gap in the supply of doctors by training AYUSH practitioners to handle primary care needs.

As part of a wider strategy promoting AYUSH, India is seeking to collaborate with WHO and the USA in research and development of AYUSH. One specific objective will be to establish WHO benchmarks for the practice of the 5 disciplines.

(Source: <http://homeopathy-ich.org/home.html>)

The expenditure on Ayurveda in 2014-2015 and 2015-2016 was Rs 206 crore and Rs 254 crore respectively.

The expenditure on homeopathy was Rs 82 crore, rising heavily to Rs 167 crore, in 2014-2015 and 2015-2016

The trend follows for research as well. For 2016-2017, the budgeted expenditure for Ayurveda was Rs 170 crore and homeopathy was a close second at Rs 120 crore.

While the budgetary allocation in 2016-2017 for allopathy was Rs 37,061.55 crore, AYUSH received Rs 1,326.20 crore. That's about 3.58% of what allopathy receives.

However government data says that 28% people in India use one of more kind of AYUSH treatments.

(Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3255448/>)

### **Homeopathy**

Homeopathy today is a rapidly growing system and is being practiced almost all over the world. In India it has become a household name due the safety of its pills and gentleness of its cure. A rough study states that about 10% of the Indian population solely depend. Homeopathy for their Health care needs and is considered as the Second most popular system of medicine in the Country.

It is more than a century and a half now that Homeopathy is being practiced in India. It has blended so well into the roots and traditions of the country that it has been recognised as one of the National System of Medicine and plays a very important role in providing health care to a large number of people. Its strength lies in its evident effectiveness as it takes a holistic approach towards the sick individual through promotion of inner balance at mental, emotional, spiritual and physical levels.

(Source: <http://neiah.nic.in/homeopathy.html>)

In India, homeopathy is the second-highest funded as well as used category under AYUSH, by the Indian government and public respectively. Homeopathy is the second largest system used in India and world. More than 2,24,279 homeopathy doctors, 7856 Govt. dispensaries and 207 of Govt. hospitals providing homeopathy treatment in India.

(Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3255448/>)

India has a population of over one billion and is an emerging economic global power. The country shows a wide variation in terms of per capita income, purchasing parity; impacting income, expenditure and social stratification. The collective orientation of the society reflects itself in the National Health Policy of India and also underlines the governmental patronage to modern as well as the Indian systems of Medicines and Homeopathy. The Government of India facilitated the spread and development of Homeopathy by recognizing and integrating it into healthcare delivery.

(Source: <http://ccrindia.nic.in/admnis/admin/showimg.aspx?ID=12783>)

### **Ayurveda**

Indian system of healthcare, Ayurveda has unique therapies which are beneficial for treatment of many chronic lifestyle disorders and thus attracting more number of patients to avail these services in India.

(Source: <https://www.ibef.org/download/Healthcare-January-2018.pdf>).

In Sanskrit, the word ayurveda consists of the words āyus, meaning "longevity", and veda, meaning "related to knowledge" or "science". Evolving throughout its history, ayurveda remains an influential system of medicine in South Asia. The earliest literature on Indian medical practice appeared during the Vedic period in India. The Suśruta Saṃhitā and the Charaka Saṃhitā were influential works on traditional medicine during this era. Over the following centuries, ayurvedic practitioners developed a number of medicinal preparations and surgical procedures for the treatment of various ailments and diseases.

(Source: <http://neiah.nic.in/ayurveda.html>).

## SUMMARY OF OUR BUSINESS

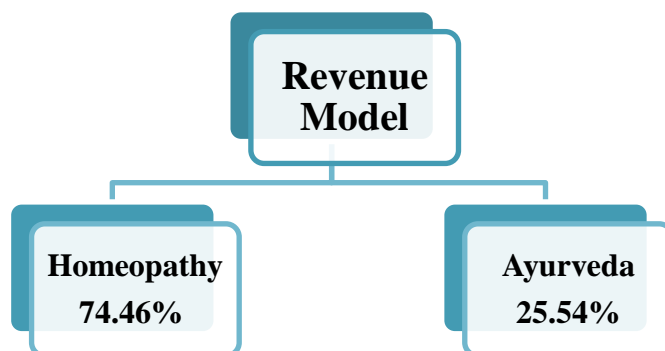
### OVERVIEW

Our Company is engaged in the business of Healthcare Clinical services in the field of Ayurveda and Homeopathy. Our Company, acquired the running business of a partnership firm in the name and style of M/s. Star Health Sciences in the year 2014. The said acquisition enabled our Company to pursue its vision to provide the best medical treatment in the most advanced way with the use of latest clinical knowledge and medical diagnostic avenues. We currently have 13 specialty homeopathic and ayurveda clinics / branches located in different cities of Telangana, Andhra Pradesh and Karnataka. Further we have a team of more than 55 doctors and 145-150 well trained staff working to give best services to our existing and new patients.

We operate a wide network of clinics / branches in South-India region and we believe our brands Star Homeopathy and Star Ayurveda are strongly associated with our mission to deliver high quality healthcare services which are result oriented. We stand to cure, care, comfort, and last to improve quality of life. Our Promoters, Dr. Amda Ramakrishna and Dr. Srinivasa Gupta Kandula, hold experience of more than 2 decades each, in the field of Homeopathy and / or Ayurveda and with the help of their experience we provide better and desired healthcare service to our patients.

We have invested in technology both for clinical purposes as well integrating systems and processes for betterment of patient and quality control. We believe that our brand image and operational experience in our core markets provide us the platform to further expand our presence and operations in other locations across the country. Our clinical capabilities include facilities for treating chronic diseases like diabetes, infertility, arthritis, children problems, skin diseases, renal stones, thyroid, and many more without any side effects (as compared to other treatment methods).

We believe that our “**STAR HOMEOPATHY & STAR AYURVEDA**” brands are widely recognized in South India for the provision of high quality, compassionate and effective healthcare services. Our business revenue is bifurcated into **Revenue** from Ayurveda and Revenue from Homeopathy. The percentage wise breakup is given below:



We are certified by ISO 9001:2015 for providing services as per the requirement of quality standards of Healthcare Services. These certifications confirm to the Quality Management System of our Company in relation to the service of Homeopathy and Ayurveda. Our clinic in Secunderabad had been inaugurated by the then Deputy Chief Minister of Andhra Pradesh Shree Damodar Raja Narsimha in the year 2014. We are working towards promoting Homoeopathy and Ayurveda with the masses by conducting free medical health camps as part of a social responsibility drive.

Our Registered office is situated in Secunderabad and we operate 13 clinics / branches in various cities in southern India region and a call centre in Secunderabad. Our each clinic sizes vary between 1,200 sq. ft to 5,500 sq. ft. Our clinics / branches are designed with state-of-the-art infrastructure to provide hygiene and a safe environment. Facilities available at all our clinics include a reception desk, comfortable seating capacity (15-20 seats), four to eight consultation rooms and a dedicated Ayurveda therapy rooms. For Details of our existing clinics and office please refer “*Our Business – Properties*” on page no. 86 of this Draft Prospectus.

Our revenue from operations for the financial year ending 2017-2018, 2016-17 and 2015-16 was ₹ 1,702.21 lakhs, ₹ 1,849.84 and ₹ 1,941.90 lakhs respectively. Our Net Profit after tax for the above mentioned periods i.e. in the last 3 years was ₹ 70.36 lakhs in F. Y. 2017-18, ₹ 4.32 lakhs in F. Y. 2016-17 and ₹ 12.98 lakhs in F.Y. 2015-16.



## OUR STRENGTHS

### *Experienced healthcare services provider with established presence and recognition in South India*

Our first clinic was established in the year 2012 at Secunderabad by our Promoter, Dr. Amda Ramakrishna under his partnership firm and as of 2013, our network has grown to 13 clinics / branches in nine cities located in the states of Andhra Pradesh, Telangana and Karnataka, providing homeopathic and ayurvedic treatment facilities. We believe our STAR HOMEOPATHY AND STAR AYURVEDA brands are widely recognized in the states of Andhra Pradesh, Karnataka and Telangana, by both healthcare professionals and patients for the alternative treatments that we offer at our clinics including ayurvedic therapies. We believe our name is associated with comprehensive and affordable healthcare solutions through homeopathy and ayurvedic medicines, which, coupled with our operational experience, helps us to achieve better reach of patients for our consultation services.

In addition, we focus on building state-of-the-art consultation clinics / branches for providing healthcare services to different patients based on their requirements / diseases. We believe our reputation helps us attract not only patients, but also reputed doctors and other healthcare professionals to our clinics, who in turn draw additional patients to our clinics. Besides having presence in metro / tier - I cities, we also cater to patients in Tier-2 and Tier-3 cities of South India and the below table indicates our state-wise presence:

Telangana	Andhra Pradesh	Karnataka
Secunderabad	Vijayawada	Jaya Nagar, Bangalore
Kukatpalli	Rajahmundry	Malleswaram, Bangalore
Hanumakonda	Tirupati	Davengere
Kothapet	Visakhapatnam	Gulbarga
-	-	Hubli

### *Ability to attract high quality doctors and medical support staff*

We believe that our reputation, our traditional approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for our doctors and medical staff for their ongoing development help us to attract well-known doctors and other health care professionals from a diverse talent pool, who in turn help us in providing quality healthcare services and attract more patients to our clinics. We endeavor to employ quality doctors and medical support staff within India and we believe that the experience of such doctors and medical support staff will allow us to handle complex and high intensity clinical cases. We further believe that our doctors and support staff have contributed significantly to building recognition for our “**STAR HOMEOPATHY & STAR AYURVEDA**” brand.

In addition, we have a track record in building long-term relationships with our visiting doctors whom we consider to be our ‘partners in progress’. We engage the services of various doctors who visit our clinics in as and when required. These visiting doctors further spread the efficiency of our treatment procedures and facilities which in turn leads to increased patient inflow.

### *Customized packages for service development for individual patients*

Across our clinic networks, our specialist doctors adopt an integrated multidisciplinary approach to provide comprehensive care to our patients for various diseases and ailments. In an effort to spread the awareness and reach of our treatment procedures, Our Company has created customised packages for patients which provide them regular and cost effective treatment avenues. Homeopathy and Ayurveda are traditionally procedures which entail mid-term to long term medication and thus require multiple visits and medication on part of the patient. Our customised package, enable our doctors to diagnose the nature of ailment / disease, study each patient’s receptiveness to particular medicine and allergies and accordingly devise a consultation and medication schedule for each individual patient at a fixed pre-determined cost. This provides a concentrated treatment and complete satisfaction to our patients and helps them to cure diseases in a systematic manner and also enables us to expand our business from existing customers to new patients through word-of-mouth publicity. The packaged treatment offerings for patients, which are typically fixed-fee, all-inclusive packages covering a suite of consultancy and medical requirements of patients.

These packages also include payment plans in fixed tenures instead of a lump sum payment, which helps various patients to manage their medical costs. We believe our packaged offerings also provide patients with a high level of transparency on treatment costs and enhance patient trust in our brand.

### ***Centralised Software for accurate documentation of case history records***

Our Company maintains the details of all its patients through an real-time software built exclusively for in-house use. The software has two divisions - one which maintains the call records of the patient and the other that maintains patient's database. Each visit by a patient and the outcome of the visit is entered into his case sheet along with his diagnosis, present disease, medication prescribed, current status and other relevant details. This data can be accessed not only by treating doctor but also by our Senior Doctors at a single click and his progress from beginning of treatment can be monitored meticulously.

This helps us to cater to the patient on an individual level and by giving him a treatment which suits him the best. All the patient's history including allergies and other medical anomalies can be taken into account by the treating doctor so that the patient receives complete cure of his ailments / diseases. Also this saves time and effort on part of the patient to reiterate his case history to the doctors during each visit, thus enabling us to have a much better patient turnover. This also improves our cost efficiencies through sharing of managerial and clinical resources, and standardizing the types of medical and other consumables as well as optimizing their use by establishing guidelines for medical and operating procedures across our network. Further, our Company has made sure that this data is stored in a secured server and only the treating doctor / senior doctor can access these patient records.

### ***Transparency in the Treatment Process from inquiry stage to cure***

Our Company believes that transparency of the treatment and also of the treatment process is of vital importance in attracting new patients and also in retaining the existing ones. Our Company endeavours to abide by its fundamental principles of homeopathy and Ayurveda and it has brought us a long way in developing and maintaining excellent relations with patients. Our transparency policies begin at the time a potential patient makes an inquiry, where our exclusively set-up call centre records their data, provides a registration and also fixes an appointment which is adhered to by our clinics. The patients are also given a regular follow-up calls by our call centre team for their recovery status, medicine consumption and further appointments which helps the patient in their complete cure. This facility provided by our call centre team has been a major contributor to satisfaction of our patients, for attracting new patients through word-of-mouth publicity and also in retaining our patients in case of future ailments. The commitment and dedication in providing patients with the best service has helped Star Homeopathy & Star Ayurveda to become one of the best result oriented alternative treatment corporate entity.

### ***Well experienced management team with proven project management and implementation skills***

We believe the experience and depth of our management team to be a distinctive competitive advantage in the complex and rapidly evolving healthcare industry in which we operate. Many of our senior management team members and hospital management personnel are also qualified doctors. As on the date of this Draft Prospectus, we have a total strength of 55 Doctors across 13 clinics / branches besides our current promoters, Dr. Amda Ramakrishna and Dr. Srinivasa Gupta Kandula. Our Promoter / Director, Dr. Amda Ramakrishna is a Post Graduate in Homeopathy from Hahnemann College of Homeopathy, London, UK, and a Bachelor of Homeopathic Medicine and Surgery from Gulbarga University, Karnataka. He has amassed more than 2 decades of experience in homeopathy medicine and has been part Dr. Batra's Homeopathy clinic as a Senior Homeopathic Consultant and was also a partner in M/s. Homeocare International. Our Promoter, Dr. Srinivasa Gupta Kandula has completed his Post Graduation in Homeopathy from Hahnemann College of Homeopathy, London, UK, M.D. (Homeopathy) from Rajasthan Ayurved University and Bachelor of Homeopathic Medicine and Surgery from Gulbarga University, Karnataka. He has more than two decades of experience in Homeopathic Industry as a partner in M/s. Homeocare International and also had been into practice as a consulting doctor.

We believe that our Promoters have been a key factor in driving our growth in revenue and earnings through the efficient management and executive of our acquisitions. Also, our Company is managed by a team of experienced and professional personnel. The team comprises of personnel having medical, operational and business development experience. We believe that our management team's experience and their understanding of the healthcare industry will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us in addressing and mitigating various risks inherent to our business, including significant competition and fluctuations in healthcare industry.

For further details of the educational qualifications and experience of our Management Team and our Key Managerial Personnel please refer the chapter titled "*Our Management*" beginning on page no. 99 of this Draft Prospectus.

## OUR STRATEGIES

### ***Brand Building through increased presence***

We have our registered office at Hyderabad. Our company has predominant presence in 'South India' with 13 clinics / branches spread over the 3 States of Telangana, Andhra Pradesh and Karnataka. Our Star Homeopathy and Star Ayurveda brands have an established recognition in these states. We intend to capitalize on this brand recognition and thus expand our presence further in these States. Our management believes that there is increased demand for alternative treatment and also that there is immense scope of extending the Homeopathy and Ayurveda treatment to people who are not completely aware of its benefits. Accordingly, our Company intends to utilise part of the funds raised through this Issue for setting-up ten new clinics / branches across the three (3) States to reach out to our existing patients and to various potential patients.

Our Company has identified cities like Hyderabad, Khamman, Karimnagar and Nizamabad in Telangana, Bengluru, Shimoga and Bellary in Karnataka and Ongole in Andhra Pradesh for the expansion and setting-up of the new clinics / branches. We believe that more clinics / branches will enable us to grow our presence in all major cities of these three (3) States. Investing in new clinics / branches will also help us achieving better financial results. Further, we are continuously investing funds in advertisement and publicity to expand our boundaries and reach maximum number of potential patients.

### ***Strengthen our existing clinics / branches for increased efficiency***

We intend to grow some of our existing clinics / branches by providing better facilities not only for the patients, but also for our medical and support staff, thereby increasing the efficiency of these clinics / branches. Currently, many of our clinics / branches have an area measuring over 3000 sq. ft., and we believe that the space utilisation can be enhanced and improved in such locations within the existing infrastructure. We believe that the geographies where our existing clinics / branches are located will continue to have a strong demand for alternative and side effect free treatments and by providing better facilities; we will be able to increase the locational efficiency. Also, we intend to increase our visibility for some of our existing locations by installing analogue / digital sign boards.

### ***Engage in R & D activities for improved treatment***

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, an increase in lifestyle related diseases and increasing health insurance coverage will lead to an increase in demand for quality healthcare services, particularly for side effect free healthcare services. Our Company endeavours to continue strengthening its clinical capabilities by focussing on our existing specialty areas of Homeopathy and Ayurveda treatments. These alternative treatments have medicines based on various natural and traditional resources and are the main criterion for a satisfactory cure of the patient's ailments / diseases. Our management believes that increased research and development in the area of Homeopathy and Ayurveda medicines will increase the quality of treatment, reduce the time frame of treatment, provide efficient costing and provide overall better services. Accordingly, our Company has, as part of its future strategy, decided to invest in R & D activities for its medicines through an independent R & D service provider.

### ***Further enhance our service quality***

Our goal is to help our patients with utmost care, service and solutions. We have been focusing on providing best services to our patients through some of the leading panel of doctors. We have innovated and customised software processes that allow us to monitor and plan the progress of our clinics operations and also streamline the patient data for error free access to historical treatments, allergies, etc. We have well-trained teams that allow us to deliver best services to our patients. Our Promoters also believe that knowledge updation is the key for continuously improving our quality of services, and thus conduct regular seminars to train and update our panel of Doctors about the latest research and treatment in Homeopathy and Ayurveda.

We believe quality is an important factor when it comes to any service. With the high market competition from mainstream medicine and from other alternative treatments, a quality service at an affordable price has become the market differentiator for almost all services. We constantly work to enhance the existing quality of our services by optimizing the existing services and introducing new services in the catalogue, like different therapies and treatment procedures. We have invested significant resources, and intend to further invest in developing real-time data management systems and processes to ensure effective management / doctor control.

## SUMMARY OF FINANCIAL INFORMATION

### ANNEXURE I

### STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

( ₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Shareholders' Funds</b>					
Share Capital	1.00	1.00	1.00	1.00	1.00
Reserves and Surplus	100.78	30.42	26.10	13.12	(0.46)
<b>Total</b>	<b>101.78</b>	<b>31.42</b>	<b>27.10</b>	<b>14.12</b>	<b>0.54</b>
<b>Non Current Liabilities</b>					
Long Term Borrowings	14.35	-	33.63	-	-
Long Term Provisions	6.85	-	-	-	-
Deferred Tax Liabilities (Net)	-	1.48	7.81	6.08	-
<b>Total</b>	<b>21.20</b>	<b>1.48</b>	<b>41.44</b>	<b>6.08</b>	<b>-</b>
<b>Current Liabilities</b>					
Short Term Borrowings	-	-	-	-	-
Trade Payables	358.29	374.72	314.54	292.03	-
Other Current Liabilities	92.10	80.33	191.99	148.29	0.08
Short Term Provisions	11.57	8.94	4.09	3.75	-
<b>Total</b>	<b>461.96</b>	<b>463.98</b>	<b>510.63</b>	<b>444.07</b>	<b>0.08</b>
<b>TOTAL</b>	<b>584.93</b>	<b>496.88</b>	<b>579.17</b>	<b>464.27</b>	<b>0.63</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	80.67	96.58	117.77	127.55	-
Intangible Assets	397.86	308.08	319.42	220.30	-
Deferred Tax Asset	17.01	-	-	-	-
<b>Total</b>	<b>495.54</b>	<b>404.66</b>	<b>437.20</b>	<b>347.85</b>	<b>-</b>
<b>Current Assets</b>					
Inventories	6.69	8.00	37.23	24.40	-
Cash and Bank Balances	4.80	0.49	6.04	6.94	0.63
Short Term Loans and Advances	75.47	82.46	97.07	84.00	-
Other Current Assets	2.42	1.27	1.63	1.07	-
<b>Total</b>	<b>89.39</b>	<b>92.22</b>	<b>141.97</b>	<b>116.42</b>	<b>0.63</b>
<b>TOTAL</b>	<b>584.93</b>	<b>496.88</b>	<b>579.17</b>	<b>464.27</b>	<b>0.63</b>

**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>INCOME</b>					
Revenue from Operations	1,702.21	1,849.84	1,941.90	1,844.92	-
<b>Total Revenue (I)</b>	<b>1,702.21</b>	<b>1,849.84</b>	<b>1,941.90</b>	<b>1,844.92</b>	<b>-</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	127.46	142.25	128.76	134.69	-
Employee Benefits Expenses	571.58	529.79	525.38	591.90	-
Finance Cost	10.16	10.85	2.01	-	-
Depreciation and Amortisation	90.58	138.47	116.74	74.89	-
Other Expenses	843.19	1,018.30	1,150.21	1,023.79	0.46
<b>Total Expenses (II)</b>	<b>1,642.97</b>	<b>1,839.68</b>	<b>1,923.10</b>	<b>1,825.27</b>	<b>0.46</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>59.24</b>	<b>10.16</b>	<b>18.80</b>	<b>19.66</b>	<b>(0.46)</b>
Exceptional items	-	-	-	-	-
<b>Profit Before Tax</b>	<b>59.24</b>	<b>10.16</b>	<b>18.80</b>	<b>19.66</b>	<b>(0.46)</b>
<b>Tax Expense</b>					
Current Tax	11.29	12.17	4.09	3.75	-
Minimum Alternate Tax credit	(3.91)	0.00	-	(3.75)	-
Deferred Tax Charge (Credit)	(18.49)	(6.33)	1.73	6.08	-
<b>Total Tax Expense /(Credit)</b>	<b>(11.11)</b>	<b>5.84</b>	<b>5.82</b>	<b>6.08</b>	<b>-</b>
<b>Profit for the year</b>	<b>70.35</b>	<b>4.32</b>	<b>12.98</b>	<b>13.58</b>	<b>(0.46)</b>



**ANNEXURE III**  
**CASH FLOW STATEMENT, AS RESTATED**

( ₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Cash Flow From Operating Activities</b>					
<b>Profit Before Tax</b>	59.24	10.16	18.80	19.66	(0.46)
Adjustments for:					
Depreciation and Amortisation	90.58	138.47	116.74	74.89	-
Loss on sale of asset	-	-	-	6.19	-
Interest expense	10.16	10.85	2.01	-	-
<b>Operating profit Before working capital changes</b>	<b>159.98</b>	<b>159.49</b>	<b>137.55</b>	<b>100.74</b>	<b>(0.46)</b>
<b>Movement In Working Capital:</b>					
Increase in Inventories	1.31	29.23	(12.83)	(24.40)	-
Increase in Trade Receivables	-	-	-	-	-
Increase in Short Term Loans and Advances	10.90	14.61	(13.07)	(80.26)	-
Increase in Other Current Assets	(1.16)	0.36	(0.56)	(1.07)	-
Decrease in other Long Term Liabilities	-	-	-	-	-
Increase in Trade Payables	(16.43)	60.18	22.51	292.03	-
Increase / (Decrease) in Other Current Liabilities	11.77	(111.67)	43.70	148.21	0.08
Increase / (Decrease) in Long term Provisions	6.84				
Increase / (Decrease) in Short term Provisions	0.28	(3.24)	-	-	-
<b>Cash Generated From Operations</b>	<b>173.50</b>	<b>148.97</b>	<b>177.30</b>	<b>435.25</b>	<b>(0.37)</b>
Direct Tax Paid	(8.94)	(4.09)	(3.75)	-	-
<b>Net Cash Flow Operating Activities (A)</b>	<b>164.57</b>	<b>144.88</b>	<b>173.56</b>	<b>435.25</b>	<b>(0.37)</b>
<b>Cash Flow used In Investing Activities</b>					
Purchase of Fixed Assets, Including Intangible assets	(164.45)	(105.94)	(206.08)	(431.38)	-
Proceeds from Sales of Fixed Assets	-	-	-	2.44	-
<b>Net Cash Flow Used In Investing Activities (B)</b>	<b>(164.45)</b>	<b>(105.94)</b>	<b>(206.08)</b>	<b>(428.94)</b>	<b>-</b>
<b>Cash Flow Form Financing Activities</b>					
Proceeds from Issued of Equity Shares	-	-	-	-	1.00
Proceeds from Long - Term Borrowings	14.35	(33.63)	33.63	-	-
Interest Paid	(10.16)	(10.85)	(2.01)	-	-
<b>Net Cash Flow From Financing Activities (C)</b>	<b>4.19</b>	<b>(44.49)</b>	<b>31.62</b>	<b>-</b>	<b>1.00</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>4.31</b>	<b>(5.55)</b>	<b>(0.90)</b>	<b>6.32</b>	<b>0.63</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>0.49</b>	<b>6.04</b>	<b>6.94</b>	<b>0.63</b>	<b>-</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>4.80</b>	<b>0.49</b>	<b>6.04</b>	<b>6.94</b>	<b>0.63</b>

Cash & Cash Equivalents comprises of:

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Components of Cash and Cash Equivalents</b>					
Cash on hand	5.91	4.05	3.97	2.82	0.63
Balance with banks	(1.11)	(3.56)	2.07	4.12	-
<b>Total Cash and Cash Equivalents at the end of the year</b>	<b>4.80</b>	<b>0.49</b>	<b>6.04</b>	<b>6.94</b>	<b>0.63</b>

Note: The cash flow statement has been prepared on the basis of restated statement of Profit & Loss and Balance Sheet.

## THE ISSUE

### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

<b>Equity Shares Offered<sup>(1)</sup>:</b> Present Issue of Equity Shares by our Company <sup>(2)</sup> :	Up to 12,48,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs.
<b>Which Comprises:</b>	
<b>Issue Reserved for the Market Maker</b>	Up to 66,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
<b>Net Issue to the Public</b>	Up to 11,82,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
	<b>Of which<sup>(3)</sup>:</b>
	Up to 5,91,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	Up to 5,91,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	27,50,000 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	39,98,000 Equity Shares
<b>Objects of the Issue</b>	Please see the chapter titled “Objects of the Issue” beginning on page no. 56 of this Draft Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page no. 176 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated August 25, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on August 27, 2018.

<sup>(3)</sup> This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The allocation of the net issue to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

(i) Individual applicants other than retail individual investors; and

(ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details please refer to the chapter titled “Issue Structure” beginning on page no. 181 of this Draft Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as Star Health Sciences India Private Limited on February 26, 2014 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 093200. The status of our Company was changed to a public limited company and the name of our Company was changed to Star Health Sciences India Limited by a special resolution passed on August 06, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on August 24, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U74120TG2014PLC093200.

For further details, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page no. 88 of this Draft Prospectus.

## BRIEF COMPANY AND ISSUE INFORMATION

<b>Registered Office</b>	<b>Address:</b> H. No. 1-2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003 <b>Tel No:</b> +91 – 40 – 4011 9111 <b>Email:</b> <a href="mailto:cs@starhomeopathy.co">cs@starhomeopathy.co</a> <b>Website:</b> <a href="http://www.starhomeopathy.com">www.starhomeopathy.com</a>
<b>Date of Incorporation</b>	February 26, 2014
<b>Company Registration No.</b>	093200
<b>Company Identification No.</b>	U74120TG2014PLC093200.
<b>Address of Registrar of Companies</b>	<b>Address:</b> 2 <sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068. <b>Tel No.:</b> +91 – 40 - 2980 5427/ 2980 3827/ 2980 1927 <b>Fax No.:</b> +91 – 40 - 2980 3727
<b>Issue Programme</b>	Issue Opens on: [●] Issue Closes on: [●]
<b>Designated Stock Exchange</b>	National Stock Exchange of India Limited
<b>Company Secretary &amp; Compliance Officer</b>	Mr. Manish Kumar Shukla <b>Address:</b> H. No. 1-2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003 <b>Tel No:</b> +91 – 40 – 4011 9111 <b>Email:</b> <a href="mailto:cs@starhomeopathy.co">cs@starhomeopathy.co</a>

## BOARD OF DIRECTORS OF OUR COMPANY

The following table sets forth the Board of Directors of our Company:

Name	Designation	Director's Identification No.
Dr. Amda Ramakrishna	Chairman & Managing Director	03442694
Mrs. Ratnamala Kandula	Whole Time Director	06478135
Dr. Jagadeesh Induru	Non Executive Non Independent Director	08162699
Dr. Sampath Rao Polineni	Non Executive Independent Director	06930575
Mr. Sudhakar Navath	Non Executive Independent Director	06785232

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled "Our Management" beginning on page no. 99 of this Draft Prospectus.

*Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the application process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB where the Application Form was submitted by the Applicants.*

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

### LEAD MANAGER TO THE ISSUE



#### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001  
**Tel. No.:** +91 – 22 – 6216 6999  
**Fax No.:** +91 – 22 – 2263 0434  
**Website:** [www.afsl.co.in](http://www.afsl.co.in)  
**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
**Investor Grievance Email:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
**Contact Person:** Mr. Sumit Gupta/ Ms. Kruti Bhatt  
**SEBI Registration No.:** INM000011344

### REGISTRAR TO THE ISSUE



#### BIGSHARE SERVICES PRIVATE LIMITED

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai – 400 059  
**Tel:** +91 – 22 – 6263 8200;  
**Fax:** +91 – 22 – 6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com);  
**Contact Person:** Srinivas Dornala  
**SEBI Registration No.:** INR000001385

### LEGAL COUNSEL TO THE ISSUE

#### V. V. VINOD KUMAR (ADVOCATE)

Plot no. 14, Navanirman Nagar, Road No. 71,  
Jubilee Hills, Hyderabad – 500096,  
Telangana, India  
**Tel No.:** +91- 40 – 2355 2577  
**Email:** [vinodvalipireddy@gmail.com](mailto:vinodvalipireddy@gmail.com)  
**Contact Person:** Mr. V. V. Vinod Kumar

### STATUTORY AUDITOR OF THE COMPANY

#### M/S. RAMASAMY KOTESWARA RAO & CO. LLP, CHARTERED ACCOUNTANTS

Plot No.238/A, Mla Colony, Road No12,  
Banjara Hills, Hyderabad, Telangana 500 034  
**Tel No.:** +91- 40 – 2339 4982 / 85  
**Fax No.:** +91 – 40 – 2343 0601  
**Email:** [rkandco@gmail.com](mailto:rkandco@gmail.com); [cvk@rkandco.in](mailto:cvk@rkandco.in)  
**Website:** [www.rkandco.in](http://www.rkandco.in)  
**Contact Person:** Mr. C. V. Koteswara Rao

### BANKER(S) TO OUR COMPANY

[•]

### BANKER(S) TO THE ISSUE

[•]

## **SELF CERTIFIED SYNDICATE BANKS**

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

## **BROKERS TO THIS ISSUE**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at NSE Limited, as updated from time to time.

## **REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS**

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

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at NSE Limited, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

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

Aryaman Financial Services Limited is the Sole Lead Manager to this Issue, and hence is responsible for all the Issue management related activities.

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this Issue.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half- yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which the Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half-yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

## **IPO GRADING**

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

## **TRUSTEES**

This being an Issue of Equity Shares, the appointment of trustees is not required.



## DETAILS OF THE APPRAISING AUTHORITY

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

## CREDIT RATING

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

## EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Ramasamy Koteswara Rao & Co. LLP, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated August 27, 2018 and the Statement of Tax Benefits dated August 27, 2018, issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## UNDERWRITING

This Issue is 100% Underwritten. The Underwriting agreement is dated August 27, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amt Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
<b>Aryaman Financial Services Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:ipo@afsl.co.in">ipo@afsl.co.in</a>	Up to 11,82,000	[●]	94.71%
<b>Aryaman Capital Markets Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:aryacapm@gmail.com">aryacapm@gmail.com</a>	Up to 66,000	[●]	5.29%
<b>Total</b>	<b>Up to 12,48,000</b>	[●]	<b>100.00%</b>

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would Issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## MARKET MAKER



### ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001  
**Tel. No.:** +91 – 22 – 6216 6999  
**Fax No.:** +91 – 22 – 2263 0434  
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**SEBI Registration No.:** INZ000004739

### Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement August 27, 2018 with Aryaman Capital Markets Limited (“ACML”), a Market Maker registered with Emerge Platform of National Stock Exchange of India Limited in order to fulfil the obligations of Market Making and ACML has given its consent for inclusion of its name in the Draft Prospectus as Market Maker.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of National Stock Exchange of India Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of National Stock Exchange of India Limited and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another

Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

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

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

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

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

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

## CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	60,00,000 Equity Shares of face value of ₹ 10 each	600.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	27,50,000 Equity Shares of face value of ₹ 10 each	275.00	-
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Issue of up to 12,48,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per equity Share	124.80	[●]
	<b>Which comprises:</b>		
	Up to 66,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	6.60	[●]
	Net Issue to Public of up to 11,82,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share to the Public	118.20	[●]
	<b>Of which:</b>		
	Up to 5,91,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	59.10	[●]
	Up to 5,91,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	59.10	[●]
<b>D</b>	<b>Equity Share Capital after the Issue</b>		
	Up to 39,98,000 Equity Shares of ₹ 10 each	399.80	
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Prospectus)	Nil	
	After the Issue	[●]	

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated August 25, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on August 27, 2018

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis, subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

### Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

- The initial authorised share capital of ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each was increased to ₹ 6,00,00,000 divided into 60,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on April 26, 2018.

## NOTES TO THE CAPITAL STRUCTURE

### 1) Share Capital History of our Company:

#### a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	10	10	Subscription to MoA <sup>(1)</sup>	Cash	10,000	1,00,000	Nil
May 05, 2018	9,90,000	10	Nil	Bonus Allotment <sup>(2)</sup>	Other than Cash	10,00,000	1,00,00,000	Nil
June 01, 2018	12,00,000	10	10	Right Issue <sup>(3)</sup>	Cash	22,00,000	2,20,00,000	Nil
August 02, 2018	5,50,000	10	10	Preferential Allotment <sup>(4)</sup>	Cash	27,50,000	2,75,00,000	Nil

<sup>(1)</sup> Allotment of 2,500 equity shares each to Dr. Amda Ramakrishna, Mrs. Ratnamala Kandula, Mr. Ravinder Reddy Palle and Mr. Konda Muralli Anki Reddy, pursuant to their subscription to the Memorandum of Association.

<sup>(2)</sup> Pursuant to Board Meeting held on May 05, 2018 our Company has allotted 9,90,000 Bonus Shares to all the shareholders of the Company in the ratio of 99:1 i.e. 99 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

<sup>(3)</sup> Pursuant to Board Meeting held on June 01, 2018, our Company has allotted 12,00,000 equity shares under right issue in the ratio of 6:5, out of which Allotment of 3,00,000 equity shares each to Dr. Amda Ramakrishna Mrs. Ratnamala Kandula, and Dr. Srinivasa Gupta Kandula; Allotment of 60,000 equity shares each to Mr. Satyavarapu Venkatesh, Mr. Satyavarapu Syamasundara Rao, Mr. Satyavarapu Narsinga Rao, Mr. Chandavaram Ramarao and Mrs. Satyavarapu Mani.

<sup>(4)</sup> Pursuant to Board Meeting held on August 02, 2018, our Company has allotted 5,50,000 equity shares under Preferential allotment, out of which Allotment of 2,00,000 equity shares to Mrs. Vijaya Lakshmi M.; Allotment of 1,00,000 equity shares each to Mr. Prasad Rao K. and Cirkil C Contrakts Private Limited; Allotment of 25,000 equity shares each to Mr. Satyavarapu Narasinga Rao and Mrs. Satyavarapu Mani; Allotment of 20,000 equity shares each to Mrs. Ratnamala Kandula, Dr. Amda Ramakrishna, Dr. Srinivasa Gupta Kandula, Mr. Satyavarapu Venkatesh and Mr. Satyavarapu Syamasundara Rao

b) Our Company has not issued any Equity Shares for consideration other than cash except for the Equity Shares as mentioned under:

Date of Allotment	No. of Equity Shares	FV (₹)	Issue Price (₹)	Nature of Allotment	Allotted Person	Benefits Accrued to the Company
May 05, 2018	9,90,000	10	Nil	Bonus Allotment <sup>(1)</sup>	Allotted to all the Shareholders of the Company as on the date of allotment	Expansion of capital

<sup>(1)</sup> Pursuant to Board Meeting held on May 05, 2018 our Company has allotted 9,90,000 Bonus Shares to all the shareholders of the Company in the ratio of 99:1 i.e. 99 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.



- e) No shares have been issued at a price may be lower than the Issue Price within the last one year from the date of this Draft Prospectus except as mentioned below:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
May 05, 2018 <sup>(1)</sup>	Dr. Amda Ramakrishna	2,47,500	10	Nil	Bonus Allotment
	Mrs. Ratnamala Kandula	2,47,500			
	Dr. Srinivasa Gupta Kandula	2,47,500			
	Mr. Satyavarapu Venkatesh	49,500			
	Mr. Satyavarapu Syamasundara Rao	49,500			
	Mr. Satyavarapu Narasinga Rao	49,500			
	Mr. Chandavaram Ramarao	49,500			
	Mrs. Satyavarapu Mani	49,500			
June 01, 2018	Dr. Amda Ramakrishna	3,00,000	10	10	Further Allotment
	Mrs. Ratnamala Kandula	3,00,000			
	Dr. Srinivasa Gupta Kandula	3,00,000			
	Mr. Satyavarapu Venkatesh	60,000			
	Mr. Satyavarapu Syamasundara Rao	60,000			
	Mr. Satyavarapu Narasinga Rao	60,000			
	Mr. Chandavaram Ramarao	60,000			
	Mrs. Satyavarapu Mani	60,000			
August 02, 2018	Mrs. Vijaya Lakshmi M.	2,00,000	10	10	Further Allotment
	Mr. Prasad Rao K.	1,00,000			
	Cirkil C Contrakts Private Limited	1,00,000			
	Mr. Satyavarapu Narasinga Rao	25,000			
	Mrs. Satyavarapu Mani	25,000			
	Mrs. Ratnamala Kandula	20,000			
	Dr. Amda Ramakrishna	20,000			
	Dr. Srinivasa Gupta Kandula	20,000			
	Mr. Satyavarapu Venkatesh	20,000			
	Mr. Satyavarapu Syamasundara Rao	20,000			

<sup>(1)</sup> Pursuant to Board Meeting held on May 05, 2018, our Company has allotted 9,90,000 Bonus Shares to all the shareholders of the Company in the ratio of 99:1 i.e. 99 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

f) Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
<b>Dr. Amda Ramakrishna</b>									
On Incorporation	Subscription to MOA	Cash	2,500	10	10	2,500	0.09%	0.06%	3 years
May 05, 2018 <sup>(1)</sup>	Bonus Allotment	Nil	2,47,500	10	Nil	2,50,000	9.00%	6.19%	3 years
June 01, 2018	Right Allotment	Cash	3,00,000	10	10	5,50,000	10.91%	7.50%	1 year
August 02, 2018	Preferential Allotment	Cash	20,000	10	10	5,70,000	0.73%	0.50%	1 year
<b>Mrs. Ratnamala Kandula</b>									
On Incorporation	Subscription to MOA	Cash	2,500	10	10	2,500	0.09%	0.06%	3 years
May 05, 2018 <sup>(1)</sup>	Bonus Allotment	Nil	2,47,500	10	Nil	2,50,000	9.00%	6.19%	3 years

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
June 01, 2018	Right Allotment	Cash	3,00,000	10	10	5,50,000	10.91%	7.50%	1 year
August 02, 2018	Preferential Allotment	Cash	20,000	10	10	5,70,000	0.73%	0.50%	1 year
<b>Dr. Srinivasa Gupta Kandula</b>									
April 12, 2018	Transfer	Cash	2,500	10	400	2,500	0.09%	0.06%	3 years
May 05, 2018 <sup>(1)</sup>	Bonus Allotment	Nil	2,47,500	10	Nil	2,50,000	9.00%	6.19%	3 years
June 01, 2018	Right Allotment	Cash	3,00,000	10	10	5,50,000	10.91%	7.50%	1 year
August 02, 2018	Preferential Allotment	Cash	20,000	10	10	5,70,000	0.73%	0.50%	1 year
<b>Mr. Satyavarapu Syamasundara Rao</b>									
April 12, 2018	Transfer	Cash	500	10	400	500	0.02%	0.01%	3 years
May 05, 2018 <sup>(1)</sup>	Bonus Allotment	Nil	49,500	10	Nil	50,000	1.80%	1.24%	3 years
June 01, 2018	Right Allotment	Cash	60,000	10	10	1,10,000	2.18%	1.50%	1 year
August 02, 2018	Preferential Allotment	Cash	20,000	10	10	1,30,000	0.73%	0.50%	1 year
<b>Mr. Satyavarapu Venkatesh</b>									
April 12, 2018	Transfer	Cash	500	10	400	500	0.02%	0.01%	3 years
May 05, 2018 <sup>(1)</sup>	Bonus Allotment	Nil	49,500	10	Nil	50,000	1.80%	1.24%	3 years
June 01, 2018	Right Allotment	Cash	60,000	10	10	1,10,000	2.18%	1.50%	1 year
August 02, 2018	Preferential Allotment	Cash	20,000	10	10	1,30,000	0.73%	0.50%	1 year

<sup>(1)</sup> Pursuant to Board Meeting held on May 05, 2018 our Company has allotted 9,90,000 Bonus Shares to all the shareholders of the Company in the ratio of 99:1 i.e. 99 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
  - The entire Promoters shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of “Capital Structure” on page no. 47 of this Draft Prospectus.
  - Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
  - All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.
- g) None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus
- h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

## 2) Promoters Contribution and other Lock-In details:

### i. Details of Promoters Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoter's contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoters	No. of Shares locked in <sup>(1)</sup>	As a % of Post Issue Share Capital
Dr. Amda Ramakrishna	2,50,000	6.25%
Mrs. Ratnamala Kandula	2,50,000	6.25%
Dr. Srinivasa Gupta Kandula	2,50,000	6.25%
Mr. Satyavarapu Syamasundara Rao	50,000	1.25%
Mr. Satyavarapu Venkatesh	50,000	1.25%
<b>Total</b>	<b>8,50,000</b>	<b>21.25%</b>

<sup>(1)</sup>For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 1(f) under "Notes to Capital Structure" on page no. 47 of this Draft Prospectus.

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, the minimum Promoters contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.

The minimum Promoters Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

**We further confirm that our Promoters Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.**

### ii. Details of Shares locked-in for one year

- Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.

- b) Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- c) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- d) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

### 3) Pre-Issue and Post Issue Shareholding of our Promoters and Promoter Group

Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed issue:

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	As a % of Pre-Issued Equity	No. of Shares	As a % of Post Issued Equity
<b>1. Promoters</b>				
Dr. Amda Ramakrishna	5,70,000	20.73%	5,70,000	14.26%
Mrs. Ratnamala Kandula	5,70,000	20.73%	5,70,000	14.26%
Dr. Srinivasa Gupta Kandula	5,70,000	20.73%	5,70,000	14.26%
Mr. Satyavarapu Syamasundara Rao	1,30,000	4.73%	1,30,000	3.25%
Mr. Satyavarapu Venkatesh	1,30,000	4.73%	1,30,000	3.25%
<b>2. Promoter Group (as defined by SEBI (ICDR) Regulations)</b>				
Mrs. Satyavarapu Mani	1,35,000	4.91%	1,35,000	3.38%
<b>3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Draft Prospectus under the heading "Shareholding of the Promoter Group".</b>	-	-	-	-
<b>Total Promoters &amp; Promoter Group Holding</b>	<b>21,05,000</b>	<b>76.55%</b>	<b>21,05,000</b>	<b>52.65%</b>
<b>Total Paid up Capital</b>	<b>27,50,000</b>	<b>100.00%</b>	<b>39,98,000</b>	<b>100.00%</b>

### 4) The top ten shareholders of our Company and their Shareholding is as set forth below:

- a) The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Dr. Amda Ramakrishna	5,70,000	20.73%
	Mrs. Ratnamala Kandula	5,70,000	20.73%
	Dr. Srinivasa Gupta Kandula	5,70,000	20.73%
2	Mrs. Vijaya Lakshmi M.	2,00,000	7.27%
3	Mr. Satyavarapu Narasinga Rao	1,35,000	4.91%
	Mrs. Satyavarapu Mani	1,35,000	4.91%
4	Mr. Satyavarapu Venkatesh	1,30,000	4.73%
	Mr. Satyavarapu Syamasundara Rao	1,30,000	4.73%
5	Mr. Chandavaram Ramarao	1,10,000	4.00%

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
6	Mr. Prasad Rao K.	1,00,000	3.64%
	Cirkil C Contrakts Private Limited	1,00,000	3.64%
	<b>Total</b>	<b>27,50,000</b>	<b>100.00%</b>

b) The top ten Shareholders of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Dr. Amda Ramakrishna	5,70,000	20.73%
	Mrs. Ratnamala Kandula	5,70,000	20.73%
	Dr. Srinivasa Gupta Kandula	5,70,000	20.73%
2	Mrs. Vijaya Lakshmi M.	2,00,000	7.27%
3	Mr. Satyavarapu Narasinga Rao	1,35,000	4.91%
	Mrs. Satyavarapu Mani	1,35,000	4.91%
4	Mr. Satyavarapu Venkatesh	1,30,000	4.73%
	Mr. Satyavarapu Syamasundara Rao	1,30,000	4.73%
5	Mr. Chandavaram Ramarao	1,10,000	4.00%
6	Mr. Prasad Rao K.	1,00,000	3.64%
	Cirkil C Contrakts Private Limited	1,00,000	3.64%
	<b>Total</b>	<b>27,50,000</b>	<b>100.00%</b>

c) The top ten Shareholders of our Company two years prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Dr. Amda Ramakrishna	2,500	25.00%
2	Mrs. Ratnamala Kandula	2,500	25.00%
3	Mr. Ravinder Reddy Palle	2,500	25.00%
4	Mr. Konda Murali Anki Reddy	2,500	25.00%
	<b>Total</b>	<b>10,000</b>	<b>100.00%</b>

- 5) Neither the Company, nor it's Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- 6) None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page no. 99 of this Draft Prospectus.
- 7) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page no. 183 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
- 8) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 9) Our Promoters and Promoter Group will not participate in the Issue
- 10) An over-subscription to the extent of 10% of the Fresh Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 11) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead

Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines

- 12) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 13) As on date of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
- 14) As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
- 15) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 16) Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
- 17) Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
- 18) We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
- 19) As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 20) Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 21) The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 22) Our Company has Eleven (11) shareholders, as on the date of this Draft Prospectus.
- 23) Our Company has not revalued its assets since incorporation.
- 24) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.



## 25) Shareholding pattern of our Company

The following is the shareholding pattern of the Company as on the date of this Draft Prospectus

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a% of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			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-Equity	Class	Total								
(A)	Promoters & Promoter Group	6	21,05,000	-	-	21,05,000	76.55%	21,05,000	-	21,05,000	76.55%	-	76.55%	-	-	-	-	-
(B)	Public	5	6,45,000	-	-	6,45,000	23.45%	6,45,000	-	6,45,000	23.45%	-	23.45%	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>11</b>	<b>27,50,000</b>	<b>-</b>	<b>-</b>	<b>27,50,000</b>	<b>100.00%</b>	<b>27,50,000</b>	<b>-</b>	<b>27,50,000</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Public Shareholders holding more than 1% of the pre-issue paid-up capital of our Company

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1	Mrs. Vijaya Lakshmi M.	2,00,000	7.27%
2	Mr. Chandavaram Ramarao	1,10,000	4.00%
3	Mr. Prasad Rao K.	1,00,000	3.64%
4	Cirkil C Contrakts Private Limited	1,00,000	3.64%
	<b>Total</b>	<b>5,10,000</b>	<b>18.55%</b>

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Objects of the Issue are to raise funds for:

- Renovation and upgradation of existing Branches;
- Setting up Ten new Branches in South India in the state of Telangana, Andhra Pradesh and Karnataka;
- To Collaborate with Research and Development centre for R&D in Homeopathy Medicines.
- General Corporate Purpose and
- Issue Related Expenses.

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

### Issue Proceeds & Net Issue Proceeds

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Gross Proceeds from Issue	[●]
2	Less: Company's share of Issue related Expenses <sup>(1)</sup>	[●]
	<b>Net Proceeds from Issue</b>	<b>[●]</b>

<sup>(1)</sup> The Issue expenses are estimated expenses and subject to change.

### Requirement of Funds and Means of Finance

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

We intend to utilise the Net Proceeds of Issue ("Net Proceeds") of [●] lakhs for financing the objects as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Renovation and Upgradation of Existing Branches	40.00
2	Setting up Ten new branches in Telangana, Andhra Pradesh and Karnataka.	380.46
3	Collaboration with Research and Development centre for Homeopathy medicines	[●]
4	General Corporate Purposes	[●]
	<b>Total</b>	<b>[●]</b>

The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

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 purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm

that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page no. 10 of this Draft Prospectus.

## DETAILS OF THE FUND REQUIREMENTS

### 1) *Renovation and Upgradation of Existing Branches*

We operate our business through clinics / branches in various cities in South India region and we currently have 13 branches covering the State of Telangana, Andhra Pradesh and Karnataka. We intend to invest funds raised through this Public Issue to renovate these branches so that it can provide better facilities and comfort to staff and also to our existing and new patients. The cost of renovation and upgradation is estimated by the management is as follows:

(₹ in lakhs)

Particulars	Dilsukhnagar	Vijaywada	Jaynagar	Hubli	Total
Furniture and Fixtures	12.00	8.00	8.00	6.00	34.00
Exterior (Sign Boards)	1.50	1.50	1.50	1.50	6.00
<b>Total</b>	<b>13.50</b>	<b>9.50</b>	<b>9.50</b>	<b>7.50</b>	<b>40.00</b>

(Source: Management Estimates)

### 2) *Setting up new branches to expand business in South India*

We have our registered office at Hyderabad. Our company has predominant presence in ‘South India’ with 13 clinics / branches / branches spread over the 3 States of Telangana, Andhra Pradesh and Karnataka. Our Star Homeopathy and Star Ayurveda brands have an established recognition in these states. We intend to capitalize on this brand recognition and thus expand our presence further in these States. Our management believes that there is increased demand for alternative treatment and also that there is immense scope of extending the Homeopathy and Ayurveda treatment to people who are not completely aware of its benefits. Accordingly, we intend to set-up ten new clinics / branches across these three (3) States to reach out to our existing patients and to various potential patients. The cost of setting up the offices is estimated by our management as below:

( ₹ in lakhs)

Particulars	Setting up Ten (10) new clinics / branches for South India presence										
	Madhapur	Mehdipatnam	Khammam	Karimnager	Nizamabad	Ongole	Benguluru	Benguluru	Shimoga	Bellary	Total
Office Rentals (first six months)	2.40	6.60	3.60	3.00	3.00	2.70	6.60	6.60	2.70	3.60	40.80
Admin overheads (first six months)	1.20	3.00	1.50	1.50	1.50	1.50	3.00	3.00	1.50	1.50	19.20
Computer Systems and related equipments	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	29.00
Furniture and Fixtures	10.00	18.00	12.00	12.00	12.00	12.00	18.00	18.00	10.00	10.00	132.00
Rental Deposits	2.40	6.60	3.60	3.00	3.00	2.70	11.00	11.00	2.70	3.60	49.60
Doctors	7.20	7.20	6.30	6.30	6.30	6.30	7.20	7.20	6.30	6.30	66.60
Manager - Customer relation officer	3.00	3.00	2.40	2.40	2.40	2.40	3.00	3.00	2.40	2.40	26.40
Receptionist	0.60	0.60	0.48	0.48	0.48	0.48	0.60	0.60	0.48	0.48	5.28
Pharmacist	0.54	0.54	0.42	0.42	0.42	0.42	0.54	0.54	0.42	0.42	4.68
House Keeping	0.48	0.48	0.36	0.36	0.36	0.36	0.48	0.48	0.36	0.30	4.02
Therapists	0.72	0.72	-	-	-	-	0.72	0.72	-	-	2.88
<b>Grand Totals</b>	30.54	49.74	33.66	32.46	32.46	31.86	54.14	54.14	29.86	31.60	380.46

Note: The Management estimates that after six month these Branch Units would be able to self sustain their working capital needs hence, fund estimate for first six months are being raised through the net Issue

### 3) Collaboration with Research and Development centre

Our Company intends to enter into an understanding with a Research and Development centre for carrying out R & D activities on various existing and new Homeopathy medicines. We believe that this R & D activity will help our company to provide better medicines, reduced time frame of treatment, efficient costing and better services to our patients and also help us become a formidable corporate player in the field of Homeopathy.

Our Company is currently in the process of identifying the best R & D service provider and our management has estimated to allocate an amount of ₹ [●] lakhs (i.e. [●]% of the total Issue Proceeds) for this purpose, which includes entering into a contract with such external R&D centre.

### 4) General Corporate Purposes

We propose to deploy ₹ [●], aggregating to [●] of the Net Proceeds of the Issue towards general corporate purposes, including but not restricted to for our working capital requirements, bank deposits, acquiring business premises, margin money, acquiring business assets, starting new services, obtaining new or enabling accreditations and licenses, investment in business venture, strategic alignment, strategic initiatives as per the objects of the Company, expansion into new geographies, investment in securities, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

We confirm that any Issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] lakhs, which is [●] of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees (1 <sup>st</sup> year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]	[●]
2	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs	[●]	[●]	[●]
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	[●]	[●]	[●]
4	Listing Fees, Market Regulatory & Other Expenses	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]

1) The SCSBs and other intermediaries will be entitled to a commission of ₹ 10 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

2) The SCSBs would be entitled to processing fees of ₹ 10 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

3) Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

4) The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.



## **Appraisal and Bridge Loans**

The Objects have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Issue Proceeds.

## **Year wise Deployment of Funds / Schedule of Implementation**

The entire net proceeds of Issue are proposed to be deployed in the Financial Year 2018-19.

## **Monitoring of Utilization of Funds**

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

## **Interim Use of Funds**

Pending utilization of the Net Issue Proceeds for the purposes described above, our Company will deposit the Net Issue Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Issue Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

## **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

## **Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Board of Directors, our Key Management Personnel or Group Companies except in the normal course of business and in compliance with applicable law.

## BASIC TERMS OF THE ISSUE

### Terms of the Issue

The Equity Shares, now being issued, are subject to the terms and conditions of this Draft Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, NSE, RBI, ROC and / or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

### Approval for the Issue

The present Issue has been authorized pursuant to a resolution of our Board dated August 25, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on August 27, 2018.

### Other Details

<b>Face Value</b>	The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
<b>Issue Price</b>	The Equity Shares pursuant to this Draft Prospectus are being issued at a price of ₹ [●] each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
<b>Terms of Payment</b>	Applications should be for a minimum of [●] equity shares and in multiples of [●] equity shares thereafter. The entire Issue Price of the equity shares of ₹ [●] per share is payable on application.  In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded / unblocked to the applicants.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari - passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

### Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

If we do not receive the subscription of 100% of the Issue through this offer document including devolvment of Underwriters within sixty days from the date of closure of the Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest prescribed under the applicable provisions of the Companies Act, 2013.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ [●] per Equity Shares and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 10, 124 and 74 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- Experienced healthcare services provider with established presence and recognition in South India
- Ability to attract high quality doctors and medical support staff
- Customized packages for service development for individual patients
- Centralised Software for accurate documentation of case history records
- Transparency in the Treatment Process from inquiry stage to cure
- Well experienced management team with proven project management and implementation skills

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Our Business - Our Strengths” beginning on page no. 75 of this Draft Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from restated financial statements prepared in accordance with Indian GAAP.

#### 1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹ ) <sup>(1)</sup>	Weight
2018	7.04	3
2017	0.43	2
2016	1.30	1
<b>Weighted Average</b>	<b>3.88</b>	

<sup>(1)</sup> Based on Restated Financials of our Company

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006

**2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ [●] per share of ₹ 10 each.**

Particulars	Standalone
P/E ratio based on Basic and Diluted EPS as at March 31, 2018	[●]
P/E ratio based weighted average EPS	[●]
Industry P/E	
Highest –Health Global	206.3
Lowest – Opto Circuits	8.4
Industry Average	47.4

(Source: Capital Market, Vol. XXXIII/13, August 12- August 26, 2018; Segment: Healthcare)

**3) Return on Net Worth (RoNW)**

Year ended March 31	RoNW (%)	Weight
2018	69.13%	3
2017	13.75%	2
2016	47.90%	1
<b>Weighted Average</b>	<b>47.13%</b>	

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

**4) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic & diluted EPS for the FY 2017-18 (based on Restated Financials) at the Issue Price of ₹ [●] is [●] %.**

**5) Net Asset Value (NAV)**

Financial Year	Amount (₹)
NAV as at March 31, 2018	1,017.76 <sup>(1)</sup>
NAV after Issue	[●]
Issue Price	[●]

<sup>(1)</sup> As on March 31, 2018, the Company's paid-up equity capital consists of 10,000 number of fully paid up equity shares of face value ₹ 10/- each. Our Company has after March 31, 2018 allotted an aggregate of 27,40,000 Equity Shares of ₹ 10/- each. Considering the above allotments, the pre-offer NAV as on date of this Draft Prospectus should be read as ₹ 10.06 per share, respectively, after adjusting for these events.

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Number of Equity shares outstanding during the year/ period}}$$

**6) Comparison with Industry peers**

We believe that there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

**7) The Company in consultation with the Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10/- per share and the Issue Price is [●] times of the face value i.e. ₹ [●] per share.**

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors,**  
**Star Health Sciences India Ltd,**  
H. No. 1-2-271/3F/A, Third Floor,  
Sree Arcade, Sarojini Devi Road,  
Secunderabad, Telangana – 500 003

Dear Sirs,

**Subject: Statement of Possible Special Tax Benefits available to Star Health Sciences India Ltd and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Offer of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘Regulations’)**

We hereby report that the enclosed annexure prepared by Star Health Sciences India Ltd, states the possible special tax benefits available to Star Health Sciences India Ltd (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), 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 Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and 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 proposed initial public offering of equity shares (“the Issue”) by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Offer, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other Offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Ramasamy Koteswara Rao & Co. LLP**  
**Firm Registration No:** 010396S/ S200084

**C V Koteswara Rao**  
**Membership No:** 028353  
**Place:** Hyderabad  
**Date:** August 27, 2018

## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS**

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

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

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

NIL

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

NIL

### **C. SPECIAL TAX BENEFIT IN REGARD TO INDIRECT TAX**

The Company is engaged in providing Homeopathy and Ayurveda Services through clinics and as per Goods and Service Tax (GST) Notification Number 12/2017 –Central Tax (Rate) Heading 9993, Services by way of Health care services by a clinical establishment is covered under NIL rate of GST.

#### **Note:**

1. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
4. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.



## SECTION V – ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

*The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

### GLOBAL ECONOMIC SCENARIO

The upswing in global investment and trade continued in the second half of 2017 at 3.8 percent, global growth in 2017 was the fastest since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019. Advanced economies will grow faster than potential in 2018 and the next year; euro area economies are set to narrow excess capacity with support from accommodative monetary policy, and expansionary fiscal policy will drive the US economy above full employment. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after three years of weak performance.

Global growth is projected to soften beyond the next couple of years. Once their output gaps close, most advanced economies are poised to return to potential growth rates well below pre-crisis averages, held back by aging populations and lackluster productivity. US growth will slow below potential as the expansionary impact of recent fiscal policy changes goes into reverse. Growth is projected to remain subpar in several emerging market and developing economies, including in some commodity exporters that continue to face substantial fiscal consolidation needs.

Economic activity in 2017 ended on a high note growth in the second half of the year was above 4 percent, the strongest since the second half of 2010, supported by a recovery in investment. Outcomes exceeded the October 2017 World Economic Outlook forecasts in the euro area, Japan, the United States, and China, and continued to improve gradually in commodity exporters. Financial conditions remain supportive, despite the recent volatility in equity markets and increases in bond yields following signs of firming inflation in advanced economies. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9 percent for 2018–19, a 0.2 percentage point upgrade for both years relative to the October 2017 forecast.

This positive momentum will eventually slow, however, leaving many countries with a challenging medium-term outlook. Some cyclical forces will wane: financial conditions are expected to tighten naturally with the closing of output gaps and monetary policy normalization; US tax reform will subtract momentum starting in 2020, and then more strongly as full investment expensing is phased out starting in 2023; and China's transition to lower growth is expected to resume as credit growth and fiscal stimulus diminish. At the same time, while the expected recovery in investment will help raise potential output, weak productivity trends and reduced labor force growth due to population aging constrain medium-term prospects in advanced economies. The outlook is mixed across emerging market and developing economies. Prospects remain favorable in emerging Asia and Europe, but are challenging in Latin America, the Middle East and sub-Saharan Africa, where despite some recovery the medium term outlook for commodity exporters remains generally subdued, with a need for further economic diversification and adjustment to lower commodity prices. More than one-quarter of emerging market and developing economies are projected to grow by less than advanced economies in per capita terms over the next five years, and hence fall further behind in terms of living standards.

Risks around the short-term outlook are broadly balanced, but risks beyond the next several quarters are clearly to the downside. On the upside, the growth spurt in advanced economies may turn out to be stronger and more durable than in the baseline, as slack in labor markets can be larger than currently assessed. Furthermore, the ongoing recovery in investment could foster a rebound in productivity, implying higher potential growth going forward. In the United States, financial conditions could tighten faster than expected, triggered, for example, by an adjustment in market pricing of the future path of monetary policy, higher realized or expected wage and price inflation, and/or a sudden decompression of term premiums. Tighter financial conditions in the United States would have spillovers to other economies, including through a reduction in capital flows to emerging markets. Very expansionary fiscal policy in the United States, at a time when the current account deficit is already larger than justified by fundamentals, combined with

persistent excess current account surpluses in other countries, is projected to widen global imbalances. Anxiety about technological change and globalization is on the rise and, when combined with wider trade imbalances, could foster a shift toward inward-looking policies, disrupting trade and investment. Recent import restrictions announced by the United States, announced retaliatory actions by China and potential retaliation by other countries raise concerns in this regard and threaten to damage global and domestic activity and sentiment. Similarly, changes in US tax policies are expected to exacerbate income polarization, which could affect the political climate for policy choices in the future. Climate change, geopolitical tensions, and cyber security breaches pose additional threats to the subdued medium-term global outlook.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>)

## INDIAN ECONOMIC SCENARIO

### Indian Scenario

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### Market size

India's Gross Domestic Product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organization (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017 - February 2018 show an increase in net direct taxes by 19.5 per cent year on year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## OVERVIEW OF GLOBAL HOMEOPATHIC INDUSTRY

### EVOLUTION

Homeopathy is a system of natural medicine introduced and developed by a German physician, Samuel Hahnemann, at the end of the 18th century. Recognizing that the whole person-mind, body, spirit-is affected when there is illness; homeopathy seeks to treat that whole person. The focus is not the diseased part or the sickness, rather the totality of the individual. Homeopathic medicines, or 'remedies', stimulate the body's self-regulating mechanisms to initiate the healing process.

(Source: [http://wholehealthnow.com/homeopathy\\_info/](http://wholehealthnow.com/homeopathy_info/))

### CURRENT SCENARIO

Homoeopathy is currently used in over 80 countries. It has legal recognition as an individual system of medicine in 42 countries and is recognized as a part of complementary and alternative medicine in 28 countries. Three out of four Europeans know about Homoeopathy and of these, 29 percent use it for their own health care. Studies have identified Homoeopathy to be the most frequently used CAM therapy for children in European countries.

(Source: <http://ccrhindia.nic.in/admnis/admin/showimg.aspx?ID=12783>)

Homeopathic medicines are uniquely recognised within European Union pharmaceutical legislation by two directives (92/73/EEC & 92/74/EEC) which acknowledge the particular nature of homeopathic medicines and give them special

status and requirements alongside the rest of conventional pharmacy. The main difference in requirements is that for single homeopathic medicines for which no therapeutic claim is made proof of efficacy is not required for them to be licensed and be put on the market. There are currently some 3000+ remedies listed in the homeopathic materia medica. This list is continually being added to as new medicines are 'proved' i.e. tested, for their therapeutic potential on groups of healthy humans.

(Source: <http://homeopathy-ich.org/public-services.html>)

### Key Findings

- The global homeopathy market is expected to reach USD 31459.6 million by 2023 at a CAGR of 14.60%
- Tincture is the fastest growing segment, which is projected grow at a CAGR of 14.82% during the forecast period from 2017-2023
- The Europe captured the largest share of the global market and is expected to reach USD 11347.7 million by 2023.
- The Middle East & Africa is the fastest growing region across the globe and is expected to grow at a CAGR of 16.09% during the forecast period.

(Source: <https://www.marketresearchfuture.com/reports/homeopathy-market-4970>)

Worldwide, over 200 million people use homeopathy on a regular basis. Homeopathy is currently used in over 80 countries. It has legal recognition as an individual system of medicine in 42 countries and is recognized as a part of complementary and alternative medicine in 28 countries. The WHO states that Homeopathy is the second most used medical system internationally, with over \$1 Billion in expenditures for such therapy. According to World health Organisation, Homeopathy is the fastest-growing and second-most widely-used system of medicine in the world.

(Source: <https://homeopathy360.com/2017/08/11/interesting-statistics-of-homeopathy-in-india-2016-17/>)

### OVERVIEW OF THE GLOBAL AYURVEDIC INDUSTRY

In Western medicine, ayurveda is classified as a system of complementary and alternative medicine (CAM) that is used to complement, rather than replace, the treatment regimen and relationship that exists between a patient and their existing physician.

(Source: <http://neiah.nic.in/ayurveda.html>)

### EVOLUTION

The word Ayurveda derived from *AYU* and *VEDA*. *AYU* means life *VEDA* means science or knowledge. Ayurveda means the science of life. Charaka defines "That science is designated as Ayurveda which deals with advantage and disadvantage as well as happy and unhappy states of life along with what is good and bad for life, its measurement and the life itself (Charaka Sutra)" Ayurveda embraces all living things, animate and inanimate. It is divided into three main branches viz., Nara Ayurveda dealing with human life, Satva Ayurveda the science dealing with animal life and its diseases, Vriksha Ayurveda the science dealing with plant life, its growth and diseases. It is amply clear that Ayurveda is not only a system of medicine but also a way of life for complete positive health and spiritual attainments.

(Source: [https://www.nhp.gov.in/introduction\\_mtl](https://www.nhp.gov.in/introduction_mtl))

### CURRENT SCENARIO

Ayurvedic Products are known to have less side effects and helps in the detoxification of the harmful toxins in the body. Increasing adoption of traditional methods for medicinal purpose has given a boost to the Ayurvedic products market fueling up its market share. Ayurvedic Products are majorly classified into personal care and healthcare products. Increasing working women population and their inclination towards chemical-free herbal cosmetics are one of the major drivers of Ayurvedic personal care products. Ayurvedic healthcare products are used widely to cure asthma, allergies, hypertension, insomnia, nervous disorders, inflammation and others.

(Source: <https://www.marketresearchfuture.com/reports/ayurvedic-products-market-4183>)

## Key Factors

Some of the key factors favoring the market growth include, increasing demand for natural and organic products, expanding medical tourism across the globe, rising consumer awareness and growing demand for ayurvedic cosmetics products. Organic skincare products are achieving fast grip and the market is anticipated to expand even further. In addition to expanding consumer base, anti-ageing and anti-wrinkle creams are anticipated to fuel the market growth. However, lack of a killer instinct in ayurvedic industry, lack of optimum therapeutics and stringent regulations are some of the key barrier which is limiting the market size. Moreover, practical developments in ayurvedic medicines will offer great investment opportunities for players in the market.

(Source: <http://www.orbisresearch.com/reports/index/ayurvedic-global-market-outlook-2016-2022>)

## Key Findings

- Market share of vegan Ayurvedic Products is found to be growing at a higher rate during the forecast period owing to rising population of vegan consumers
- Top exporters of Ayurvedic Products include the India, U.S., France, Germany and U.K.

(Source: <https://www.marketresearchfuture.com/reports/ayurvedic-products-market-4183>)

## OVERVIEW OF INDIAN HOMEOPATHIC & AYURVEDIC INDUSTRY

### Introduction

India, being a country with a huge population, must take pragmatic decisions when it comes to managing the health of its citizens. One of its most recent decisions is to draft a national policy for AYUSH (which includes the five disciplines of Ayurveda, Yoga, Unani, Siddha and Homeopathy) under the universal health insurance scheme, thereby integrating the 5 disciplines into the public health system. This move has been supported at the top level of the Indian Government, including the Indian Prime Minister.

### Formation of “AYUSH”

With the new national policy the Indian Government aims to promote India as a centre of excellence for the AYUSH systems and harness their potential for improving primary and preventive health care. The policy aims at making the AYUSH systems the preferred choice of treatment in primary care and will set specific targets for regulation and research as well as set standards for AYUSH medicines and treatments. A very conscious aim of the strategy is to fill the gap in the supply of doctors by training AYUSH practitioners to handle primary care needs.

As part of a wider strategy promoting AYUSH, India is seeking to collaborate with WHO and the USA in research and development of AYUSH. One specific objective will be to establish WHO benchmarks for the practice of the 5 disciplines.

(Source: <http://homeopathy-ich.org/home.html>)

The expenditure on Ayurveda in 2014-2015 and 2015-2016 was ₹ 206 crore and ₹ 254 crore respectively.

The expenditure on homeopathy was ₹ 82 crore, rising heavily to ₹ 167 crore, in 2014-2015 and 2015-2016

The trend follows for research as well. For 2016-2017, the budgeted expenditure for Ayurveda was ₹ 170 crore and homeopathy was a close second at ₹ 120 crore.

While the budgetary allocation in 2016-2017 for allopathy was ₹ 37,061.55 crore, AYUSH received ₹ 1,326.20 crore. That's about 3.58% of what allopathy receives.

However government data says that 28% people in India use one of more kind of AYUSH treatments.

(Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3255448/>)

### Homeopathy

Homeopathy today is a rapidly growing system and is being practiced almost all over the world. In India it has become a household name due the safety of its pills and gentleness of its cure. A rough study states that about 10% of the Indian population solely depends. Homeopathy for their Health care needs and is considered as the Second most popular system of medicine in the Country.

It is more than a century and a half now that Homeopathy is being practiced in India. It has blended so well into the roots and traditions of the country that it has been recognised as one of the National System of Medicine and plays a very important role in providing health care to a large number of people. Its strength lies in its evident effectiveness as it takes a holistic approach towards the sick individual through promotion of inner balance at mental, emotional, spiritual and physical levels.

(Source: <http://neiah.nic.in/homeopathy.html>)

In India, homeopathy is the second-highest funded as well as used category under AYUSH, by the Indian government and public respectively. Homeopathy is the second largest system used in India and world. More than 2,24,279 homeopathy doctors, 7856 Govt. dispensaries and 207 of Govt. hospitals providing homeopathy treatment in India. (Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3255448/>)

India has a population of over one billion and is an emerging economic global power. The country shows a wide variation in terms of per capita income, purchasing parity; impacting income, expenditure and social stratification. The collective orientation of the society reflects itself in the National Health Policy of India and also underlines the governmental patronage to modern as well as the Indian systems of Medicines and Homeopathy. The Government of India facilitated the spread and development of Homeopathy by recognizing and integrating it into healthcare delivery. (Source: <http://ccrhindia.nic.in/admnis/admin/showimg.aspx?ID=12783>)

### **Advantages of Homeopathy**

- Treatment with homeopathic medicines is safe, effective and based upon natural substances. With the use of single simple substances in micro-doses, medicines are not associated with any toxicological effect and can be safely used for pregnant women and lactating mothers, infants and children and in the geriatric population.
- Medicines, instead of having a direct action on the microorganisms, act on the human system (self protective) to fight disease process. As such, no microbial resistance is known to develop against homeopathic drugs.
- The mode of administration of medicines is easy. There are no invasive methods and medicines are highly palatable, thereby enhancing their acceptability.
- Lack of diagnosis is not a hindrance for initiating treatment with homeopathic medicines.
- Individualized approach of treatment is in consonance with increasing need for customized treatment, which is being realized in the modern era.
- Homeopathic remedies are not addictive — once relief occurs, the patient can easily stop taking them.
- Treatment is comparatively more cost-effective than other therapeutic systems.

(Source: <http://ccrhindia.nic.in/admnis/admin/showimg.aspx?ID=12783>)

### **Ayurveda**

Indian system of healthcare, Ayurveda has unique therapies which are beneficial for treatment of many chronic lifestyle disorders and thus attracting more number of patients to avail these services in India.

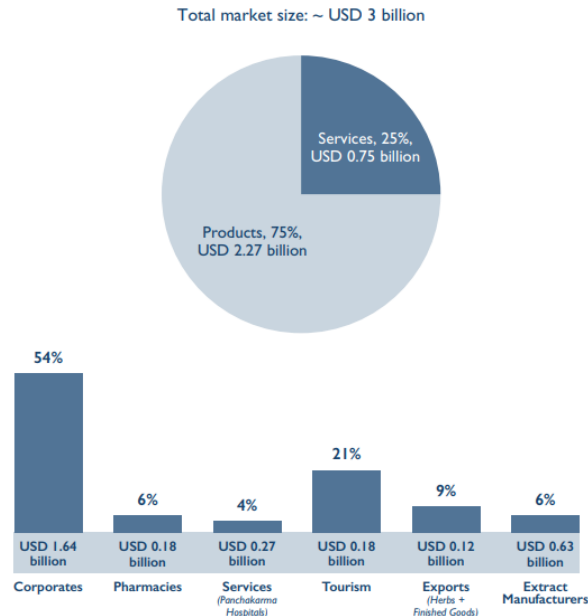
(Source: <https://www.ibef.org/download/Healthcare-January-2018.pdf>).

In Sanskrit, the word ayurveda consists of the words āyus, meaning "longevity", and veda, meaning "related to knowledge" or "science". Evolving throughout its history, ayurveda remains an influential system of medicine in South Asia. The earliest literature on Indian medical practice appeared during the Vedic period in India. The Sūśruta Saṃhitā and the Charaka Saṃhitā were influential works on traditional medicine during this era. Over the following centuries, ayurvedic practitioners developed a number of medicinal preparations and surgical procedures for the treatment of various ailments and diseases.

(Source: <http://neiah.nic.in/ayurveda.html>).

The industry can be categorized by its market offerings into two broader categories: A) Products: Ethical, classical, OTC, personal care and beauty products B) Services: Medical, well-being, payor and medical tourism services.

(Source: [http://www.gesindia.in/uploaded\\_files/pdf\\_files\\_download/VISION-2022:-ROADMAP-FOR-INDIAN-AYURVEDA-INDUSTRY07\\_40\\_23.pdf](http://www.gesindia.in/uploaded_files/pdf_files_download/VISION-2022:-ROADMAP-FOR-INDIAN-AYURVEDA-INDUSTRY07_40_23.pdf))



Source: Frost & Sullivan based on the industry stakeholders' interviews

(Source: [http://www.gesindia.in/uploaded\\_files/pdf\\_files\\_download/VISION-2022:-ROADMAP-FOR-INDIAN-AYURVEDA-INDUSTRY07\\_40\\_23.pdf](http://www.gesindia.in/uploaded_files/pdf_files_download/VISION-2022:-ROADMAP-FOR-INDIAN-AYURVEDA-INDUSTRY07_40_23.pdf))



Source: Frost & Sullivan

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## Future Growth of Ayurveda

- The traditional (ayurvedic) market in India is expected to rise at a CAGR of 16 per cent over 2016-2021. In 2015, Government of India had approved All India Institute of Ayurveda in New Delhi, it would be a 200 bedded hospital. The institute was inaugurated in October 2017 on the occasion of Ayurveda Day.
- Ayurvedic medicines offer traditional Indian health remedies based on natural and herbal ingredients
- The sector has broadened its offerings and now includes services on diet and nutrition, yoga, herbal, medicine, humour therapy and spa
- As of December 2016, the country has a total of 403 Ayurveda, Siddha and Unani colleges and attached hospitals. In September 2017, number of primary health centres (PHCs) increased to 32,224 and number of sub centres reached to 166,643.
- In Union Budget 2017-18, the plan outlay for AYUSH is estimated at US\$ 212.5 million.
- In October 2017, All India Institute of Ayurveda was inaugurated in New Delhi. The institute has been set up over an area of 10 acres at a cost of US\$ 24.37 million.
- In December 2017, the Government of India provided grant-in-aid under the National AYUSH Mission (NAM), to set up AYUSH educational institutions in States and Union Territories where such institutions are not available in the government sector.

Yoga, meditation, ayurveda, allopathy and other traditional methods of treatment are major service offerings that attract medical tourists from European nations and the Middle East to India.

(Source: <https://www.ibef.org/download/Healthcare-January-2018.pdf>)

## Government Initiatives

Some of the major initiatives taken by the Government of India to promote Indian healthcare industry are as follows:

- India's first ever 'Air Dispensary', which is based in a helicopter, will be launched in the Northeast and the Ministry of Development of Northeast Region (DONER) has already contributed ₹ 25 crore (US\$ 3.82 million) for its funding.
- The Intensified Mission Indradhanush (IMI) has been launched by the Government of India with the aim of improving coverage of immunisation in the country and reaches every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme.
- The Union Cabinet approved setting up of National Nutrition Mission (NNM) with a three year budget of ₹ 9,046.17 crore (US\$ 1.40 billion) to monitor, supervise, fix targets and guide the nutrition related interventions across the Ministries.
- The Government of India aims to increase the total health expenditure to 2.5 per cent of Gross Domestic Product (GDP) by 2025 from the current 1.15 per cent.
- Mr J P Nadda, Union Minister of Health and Family Welfare, Government of India, launched initiatives such as LaQshya, for Labour Room Quality Improvement, a mobile application for safe delivery, and operational guidelines for obstetric high dependency units (HDUs) and intensive care units (ICUs).
- In March 2018, the Union Cabinet of India approved the continuation of National Health Mission with a budget of ₹ 85,217 crore (US\$ 13.16 billion) from 1st April 2017 to 31st March 2020.
- In April 2018, the Government of India approved to sign Memorandum of Understanding (MoU) with the medical agencies of BRICS countries for cooperation in the field of medical products.
- In April 2018, the Government of India apprised the signing of Memorandum of Agreement (MoA) between India and World Health Organisation to facilitate in improving public health in India
- In May 2018, the Government of India approved financial outlay of ₹ 14,832 crores (US\$ 2.30 billion) for FY2017-18 to FY2019-20.

- In June 2018, the Ministry of Health and Family Welfare signed an Memorandum of Understanding (MoU) with the Norwegian Ministry of Foreign Affairs through the Norway India Partnership Initiative (NIPI) from 2018-2020, the cooperation is aligned with National Health Policy 2017.

### Road Ahead

India is a land full of opportunities for players in the medical devices industry. India's healthcare industry is one of the fastest growing sectors and in the coming 10 years it is expected to reach \$275 billion. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep.

Indian healthcare sector is much diversified and is full of opportunities in every segment which includes providers, payers and medical technology. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business.

India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. India also offers vast opportunities in R&D as well as medical tourism. To sum up, there are vast opportunities for investment in healthcare infrastructure in both urban and rural India.

Exchange Rate Used: INR 1 = US\$ 0.0155 as on FY2018

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

With the need for the Ayurveda industry to transition towards precision root-cause diagnosis and treatment, certain key objectives need to be addressed. These include increasing the overall affordability and accessibility of medicines, attracting private investors, promoting Ayurveda hospitals and medical value travel, leveraging the potential of Ayurveda in preventative and curative healthcare, and creating a well-defined network for insurance and payors. Its success will depend on all industry stakeholders taking responsibility for the plan, led by product manufacturers, service providers and Ministry of AYUSH.

(Source: [http://www.gesindia.in/uploaded\\_files/pdf\\_files\\_download/VISION-2022:-ROADMAP-FOR-INDIANAYURVEDA-INDUSTRY07\\_40\\_23.pdf](http://www.gesindia.in/uploaded_files/pdf_files_download/VISION-2022:-ROADMAP-FOR-INDIANAYURVEDA-INDUSTRY07_40_23.pdf))

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 10, 143 and 124 of this Draft Prospectus, respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to ‘Star Health’, ‘SHSIL’, ‘the Company’, ‘our Company’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Star Health Sciences India Limited.*

*Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP set forth elsewhere in this Draft Prospectus. In this section only, any reference to “we”, “us” or “our” refers to Star Health Sciences India Limited.*

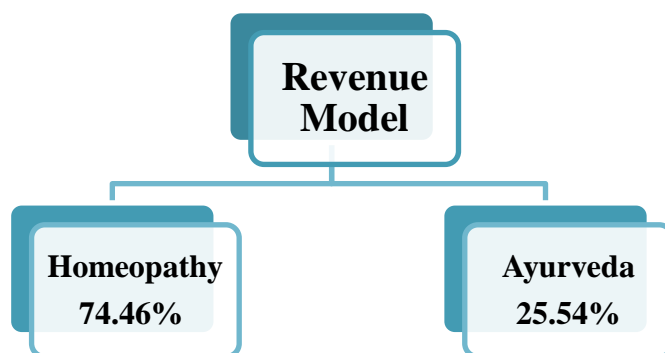
## OVERVIEW

Our Company is engaged in the business of Healthcare Clinical services in the field of Ayurveda and Homeopathy. Our Company, acquired the running business of a partnership firm in the name and style of M/s. Star Health Sciences in the year 2014. The said acquisition enabled our Company to pursue its vision to provide the best medical treatment in the most advanced way with the use of latest clinical knowledge and medical diagnostic avenues. We currently have 13 specialty homeopathic and ayurveda clinics / branches located in different cities of Telangana, Andhra Pradesh and Karnataka. Further we have a team of more than 55 doctors and 145-150 well trained staff working to give best services to our existing and new patients.

We operate a wide network of clinics / branches in South-India region and we believe our brands Star Homeopathy and Star Ayurveda are strongly associated with our mission to deliver high quality healthcare services which are result oriented. We stand to cure, care, comfort, and last to improve quality of life. Our Promoters, Dr. Amda Ramakrishna and Dr. Srinivasa Gupta Kandula, hold experience of more than 2 decades each, in the field of Homeopathy and / or Ayurveda and with the help of their experience we provide better and desired healthcare service to our patients.

We have invested in technology both for clinical purposes as well integrating systems and processes for betterment of patient and quality control. We believe that our brand image and operational experience in our core markets provide us the platform to further expand our presence and operations in other locations across the country. Our clinical capabilities include facilities for treating chronic diseases like diabetes, infertility, arthritis, children problems, skin diseases, renal stones, thyroid, and many more without any side effects (as compared to other treatment methods).

We believe that our “**STAR HOMEOPATHY & STAR AYURVEDA**” brands are widely recognized in South India for the provision of high quality, compassionate and effective healthcare services. Our business revenue is bifurcated into Revenue from Ayurveda and Revenue from Homeopathy. The percentage wise breakup is given below:



We are certified by ISO 9001:2015 for providing services as per the requirement of quality standards of Healthcare Services. These certifications confirm to the Quality Management System of our Company in relation to the service of Homeopathy and Ayurveda. Our clinic in Secunderabad had been inaugurated by the then Deputy Chief Minister of Andhra Pradesh Shree Damodar Raja Narsimha in the year 2014. We are working towards promoting Homoeopathy and Ayurveda with the masses by conducting free medical health camps as part of a social responsibility drive.

Our Registered office is situated in Secunderabad and we operate 13 clinics / branches in various cities in southern India region and a call centre in Secunderabad. Our each clinic sizes vary between 1,200 sq. ft to 5,500 sq. ft. Our clinics / branches are designed with state-of-the-art infrastructure to provide hygiene and a safe environment. Facilities available at all our clinics include a reception desk, comfortable seating capacity (15-20 seats), four to eight consultation rooms and a dedicated Ayurveda therapy rooms. For Details of our existing clinics / branches and office please refer “*Our Business – Properties*” on page no. 86 of this Draft Prospectus.

Our revenue from operations for the financial year ending 2017-2018, 2016-17 and 2015-16 was ₹ 1,702.21 lakhs, ₹ 1,849.84 and ₹ 1,941.90 lakhs respectively. Our Net Profit after tax for the above mentioned periods i.e. in the last 3 years was ₹ 70.36 lakhs in F. Y. 2017-18, ₹ 4.32 lakhs in F. Y. 2016-17 and ₹ 12.98 lakhs in F.Y. 2015-16.

## OUR STRENGTHS

### *Experienced healthcare services provider with established presence and recognition in South India*

Our first clinic was established in the year 2012 at Secunderabad by our Promoter, Dr. Amda Ramakrishna under his partnership firm and as of 2013, our network has grown to 13 clinics / branches in nine cities located in the states of Andhra Pradesh, Telangana and Karnataka, providing homeopathic and ayurvedic treatment facilities. We believe our STAR HOMEOPATHY AND STAR AYURVEDA brands are widely recognized in the states of Andhra Pradesh, Karnataka and Telangana, by both healthcare professionals and patients for the alternative treatments that we offer at our clinics including ayurvedic therapies. We believe our name is associated with comprehensive and affordable healthcare solutions through homeopathy and ayurvedic medicines, which, coupled with our operational experience, helps us to achieve better reach of patients for our consultation services.

In addition, we focus on building state-of-the-art consultation clinics for providing healthcare services to different patients based on their requirements / diseases. We believe our reputation helps us attract not only patients, but also reputed doctors and other healthcare professionals to our clinics, who in turn draw additional patients to our clinics. Besides having presence in metro / tier - I cities, we also cater to patients in Tier-2 and Tier-3 cities of South India and the below table indicates our state-wise presence:

Telangana	Andhra Pradesh	Karnataka
Secunderabad	Vijayawada	Jaya Nagar, Bangalore
Kukatpalli	Rajahmundry	Malleswaram, Bangalore
Hanumakonda	Tirupati	Davengere
Kothapet	Visakhapatnam	Gulbarga
-	-	Hubli

### *Ability to attract high quality doctors and medical support staff*

We believe that our reputation, our traditional approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for our doctors and medical staff for their ongoing development help us to attract well-known doctors and other health care professionals from a diverse talent pool, who in turn help us in providing quality healthcare services and attract more patients to our clinics. We endeavor to employ quality doctors and medical support staff within India and we believe that the experience of such doctors and medical support staff will allow us to handle complex and high intensity clinical cases. We further believe that our doctors and support staff have contributed significantly to building recognition for our “**STAR HOMEOPATHY & STAR AYURVEDA**” brand.

In addition, we have a track record in building long-term relationships with our visiting doctors whom we consider to be our ‘partners in progress’. We engage the services of various doctors who visit our clinics / branches in as and when required. These visiting doctors further spread the efficiency of our treatment procedures and facilities which in turn leads to increased patient inflow.

### *Customized packages for service development for individual patients*

Across our clinic networks, our specialist doctors adopt an integrated multidisciplinary approach to provide comprehensive care to our patients for various diseases and ailments. In an effort to spread the awareness and reach of our treatment procedures, Our Company has created customised packages for patients which provide them regular and cost effective treatment avenues. Homeopathy and Ayurveda are traditionally procedures which entail mid-term to long term medication and thus require multiple visits and medication on part of the patient. Our customised package, enable our doctors to diagnose the nature of ailment / disease, study each patient’s receptiveness to particular medicine and

allergies and accordingly devise a consultation and medication schedule for each individual patient at a fixed pre-determined cost. This provides a concentrated treatment and complete satisfaction to our patients and helps them to cure diseases in a systematic manner and also enables us to expand our business from existing customers to new patients through word-of-mouth publicity. The packaged treatment offerings for patients, which are typically fixed-fee, all-inclusive packages covering a suite of consultancy and medical requirements of patients.

These packages also include payment plans in fixed tenures instead of a lump sum payment, which helps various patients to manage their medical costs. We believe our packaged offerings also provide patients with a high level of transparency on treatment costs and enhance patient trust in our brand.

#### ***Centralised Software for accurate documentation of case history records***

Our Company maintains the details of all its patients through an real-time software built exclusively for in-house use. The software has two divisions - one which maintains the call records of the patient and the other that maintains patient's database. Each visit by a patient and the outcome of the visit is entered into his case sheet along with his diagnosis, present disease, medication prescribed, current status and other relevant details. This data can be accessed not only by treating doctor but also by our Senior Doctors at a single click and his progress from beginning of treatment can be monitored meticulously.

This helps us to cater to the patient on an individual level and by giving him a treatment which suits him the best. All the patient's history including allergies and other medical anomalies can be taken into account by the treating doctor so that the patient receives complete cure of his ailments / diseases. Also this saves time and effort on part of the patient to reiterate his case history to the doctors during each visit, thus enabling us to have a much better patient turnover. This also improves our cost efficiencies through sharing of managerial and clinical resources, and standardizing the types of medical and other consumables as well as optimizing their use by establishing guidelines for medical and operating procedures across our network. Further, our Company has made sure that this data is stored in a secured server and only the treating doctor / senior doctor can access these patient records.

#### ***Transparency in the Treatment Process from inquiry stage to cure***

Our Company believes that transparency of the treatment and also of the treatment process is of vital importance in attracting new patients and also in retaining the existing ones. Our Company endeavours to abide by its fundamental principles of homeopathy and Ayurveda and it has brought us a long way in developing and maintaining excellent relations with patients. Our transparency policies begin at the time a potential patient makes an inquiry, where our exclusively set-up call centre records their data, provides a registration and also fixes an appointment which is adhered to by our clinics. The patients are also given a regular follow-up calls by our call centre team for their recovery status, medicine consumption and further appointments which helps the patient in their complete cure. This facility provided by our call centre team has been a major contributor to satisfaction of our patients, for attracting new patients through word-of-mouth publicity and also in retaining our patients in case of future ailments. The commitment and dedication in providing patients with the best service has helped Star Homeopathy & Star Ayurveda to become one of the best result oriented alternative treatment corporate entity.

#### ***Well experienced management team with proven project management and implementation skills***

We believe the experience and depth of our management team to be a distinctive competitive advantage in the complex and rapidly evolving healthcare industry in which we operate. Many of our senior management team members and hospital management personnel are also qualified doctors. As on the date of this Draft Prospectus, we have a total strength of 55 Doctors across 13 clinics / branches besides our current promoters, Dr. Amda Ramakrishna and Dr. Srinivasa Gupta Kandula. Our Promoter / Director, Dr. Amda Ramakrishna is a Post Graduate in Homeopathy from Hahnemann College of Homeopathy, London, UK, and a Bachelor of Homeopathic Medicine and Surgery from Gulbarga University, Karnataka. He has amassed more than 2 decades of experience in homeopathy medicine and has been part Dr. Batra's Homeopathy clinic as a Senior Homeopathic Consultant and was also a partner in M/s. Homeocare International. Our Promoter, Dr. Srinivasa Gupta Kandula has completed his Post Graduation in Homeopathy from Hahnemann College of Homeopathy, London, UK, M.D. (Homeopathy) from Rajasthan Ayurved University and Bachelor of Homeopathic Medicine and Surgery from Gulbarga University, Karnataka. He has more than two decades of experience in Homeopathic Industry as a partner in M/s. Homeocare International and also had been into practice as a consulting doctor.

We believe that our Promoters have been a key factor in driving our growth in revenue and earnings through the efficient management and executive of our acquisitions. Also, our Company is managed by a team of experienced and

professional personnel. The team comprises of personnel having medical, operational and business development experience. We believe that our management team's experience and their understanding of the healthcare industry will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us in addressing and mitigating various risks inherent to our business, including significant competition and fluctuations in healthcare industry.

For further details of the educational qualifications and experience of our Management Team and our Key Managerial Personnel please refer the chapter titled "*Our Management*" beginning on page no. 99 of this Draft Prospectus.

## **OUR STRATEGIES**

### ***Brand Building through increased presence***

We have our registered office at Hyderabad. Our company has predominant presence in 'South India' with 13 clinics / branches spread over the 3 States of Telangana, Andhra Pradesh and Karnataka. Our Star Homeopathy and Star Ayurveda brands have an established recognition in these states. We intend to capitalize on this brand recognition and thus expand our presence further in these States. Our management believes that there is increased demand for alternative treatment and also that there is immense scope of extending the Homeopathy and Ayurveda treatment to people who are not completely aware of its benefits. Accordingly, our Company intends to utilise part of the funds raised through this Issue for setting-up ten new clinics / branches across the three (3) States to reach out to our existing patients and to various potential patients.

Our Company has identified cities like Hyderabad, Khamman, Karimnagar and Nizamabad in Telangana, Bengluru, Shimoga and Bellary in Karnataka and Ongole in Andhra Pradesh for the expansion and setting-up of the new clinics / branches. We believe that more clinics / branches will enable us to grow our presence in all major cities of these three (3) States. Investing in new clinics / branches will also help us achieving better financial results. Further, we are continuously investing funds in advertisement and publicity to expand our boundaries and reach maximum number of potential patients.

### ***Strengthen our existing clinics / branches for increased efficiency***

We intend to grow some of our existing clinics / branches by providing better facilities not only for the patients, but also for our medical and support staff, thereby increasing the efficiency of these clinics / branches. Currently, many of our clinics / branches have an area measuring over 3000 sq. ft., and we believe that the space utilisation can be enhanced and improved in such locations within the existing infrastructure. We believe that the geographies where our existing clinics / branches are located will continue to have a strong demand for alternative and side effect free treatments and by providing better facilities; we will be able to increase the locational efficiency. Also, we intend to increase our visibility for some of our existing locations by installing analogue / digital sign boards.

### ***Engage in R & D activities for improved treatment***

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, an increase in lifestyle related diseases and increasing health insurance coverage will lead to an increase in demand for quality healthcare services, particularly for side effect free healthcare services. Our Company endeavours to continue strengthening its clinical capabilities by focusing on our existing specialty areas of Homeopathy and Ayurveda treatments. These alternative treatments have medicines based on various natural and traditional resources and are the main criterion for a satisfactory cure of the patient's ailments / diseases. Our management believes that increased research and development in the area of Homeopathy and Ayurveda medicines will increase the quality of treatment, reduce the time frame of treatment, provide efficient costing and provide overall better services. Accordingly, our Company has, as part of its future strategy, decided to invest in R & D activities for its medicines through an independent R & D service provider.

### ***Further enhance our service quality***

Our goal is to help our patients with utmost care, service and solutions. We have been focusing on providing best services to our patients through some of the leading panel of doctors. We have innovated and customised software processes that allow us to monitor and plan the progress of our clinics / branches operations and also streamline the patient data for error free access to historical treatments, allergies, etc. We have well-trained teams that allow us to deliver best services to our patients. Our Promoters also believe that knowledge updation is the key for continuously



improving our quality of services, and thus conduct regular seminars to train and update our panel of Doctors about the latest research and treatment in Homeopathy and Ayurveda.

We believe quality is an important factor when it comes to any service. With the high market competition from mainstream medicine and from other alternative treatments, a quality service at an affordable price has become the market differentiator for almost all services. We constantly work to enhance the existing quality of our services by optimizing the existing services and introducing new services in the catalogue, like different therapies and treatment procedures. We have invested significant resources, and intend to further invest in developing real-time data management systems and processes to ensure effective management / doctor control.

## **DETAILS OF OUR BUSINESS**

### **LOCATION**

#### **Registered Office**

Our registered office is located at: H. No. 1-2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003

#### **Clinics / Branches**

Our Company has various clinics / branches spread across the Southern India region, details of which are given below:

#### **Telangana**

- **Secunderabad Branch**

The clinic was set-up in May 2012 it was our first clinic and we started in a well known location of Secunderabad which is situated very close to Secunderabad Railway Station and also near to local metro station and it is our first branch .It is situated at 1st Floor, No. 116 & 117, Bhuvana Towers, Door No. 193 (New), Sarojini Devi Road, Secunderabad - 500009. The Branch is situated on a leasehold property having 3,198 square feet of area. The facilities available at the branches are eight rooms for consultancy, a waiting area to accommodate 20-25 people, a reception area and two separate therapy rooms for men and women .There are five resident Doctors and 9 support staff available at this branch working towards complete satisfaction of patients.

- **Kothapet Branch**

This clinic was started in May 2012, it was our second clinic; it is situated in the centre of Hyderabad city near famous public vicinity at H No. 123-125, 5th Floor, Opp: Fruit Market, Kontham Ramreddy Complex, Krishnaveni Nagar, Kothapet, Hyderabad - 500035 The Branch is situated on a leasehold property having 3,200 square feet of area. The branch includes facilities like nine rooms for consultancy used by our resident and various visiting doctors, a waiting area for 20-25 people, a reception area and one Ayurveda therapy room. Four resident Doctors along with 8 support staff are always available at this branch for the needs of patients.

- **Kukatpally Branch**

This clinic was started in July 2012, it was our third clinic, to increase the tally of our clinics / branches we had opened up this clinic within two months of incorporation of partnership firm; it is situated in the crowded location of Hyderabad city near to University area at 1st Floor, MIG - 234, K.P.H.B Colony, Kukatpally, Hyderabad - 500072. The Branch is situated on a leasehold property having 2,000 square feet of area. The facilities available at the branches are eight rooms for consultancy, a waiting area to accommodate 15-20 people at a time, reception area and one Ayurveda therapy room .There are four Doctors and 7 support staff available at this branch working towards catering the needs of patients.

- **Warangal Branch**

We started this clinic in October 2013 and it became our fourth clinic in Telangana; it is situated in the well known area of Hanumakonda city in the district of Warangal at Flat No. 6-2-267-269, 1st Floor, Pinjara Street, Vijaya Talkies, Road, Hanumakonda, Warangal. The Branch is situated on a leasehold property having 1,508 square feet of area. The facilities available at the branches are six rooms for consultancy, a waiting area for 10-15 people, a reception area and

one Ayurveda therapy room. There are four resident Doctors and 7 support staff available at this branch working towards catering the needs of patients.

### **Andhra Pradesh**

- **Vijayawada Branch**

The clinic was set-up in the month of August 2012; it is situated at centre of Vijaywada city at D/o: 29-14-26, Prakasam Road, Vijayawada - 520002. The Branch is situated on a leasehold property having 1,500 square feet of area. The facilities available at the branches are seven consultancy rooms, a waiting area for 10-15 people, reception area and one Ayurveda therapy room. There are two resident Doctors and 5 support staff available at this branch working towards catering the needs of patients.

- **Tirupati Branch**

The clinic was set-up in the month of January 2013 and it is being inaugurated by famous Telugu Actress Richa Gangopadhyay, it is situated in the centre of Tirupati city, the city is known with its name and the location is situated near to Temple area at Plot No. 19-8-112d, Opp. HDFC Bank & IBP Petrol Bunk, Air Bypass Road, Near Annamiah Circle, Tirupati. The Branch is situated on a leasehold property having 3,000 square feet of area. The facilities available at the branches are six consultancy rooms, a waiting area for 20-25 people, a reception area. There are two resident Doctors available and 5 support staff available at this branch.

- **Visakhapatnam Branch**

The clinic was set-up in the month of March 2013; it is situated at well known location of city at 29-2-31 1st Floor, Hemlatha Towers, Opp. Judge Court, Besides CMR Shopping Mall, Vishakhapatnam – 530 020. The Branch is situated on a leasehold property having 4,400 square feet of area, considering the size it's our second largest branch. The facilities available at the branches are eight consultancy rooms, a waiting area to accommodate 25-30 people, and reception area and one Ayurveda therapy room. There are four resident Doctors and 5 support staff available at this branch working towards catering the needs of patients. This clinic has a significant number of visiting doctors who are provided a separate consultancy room as and when required

- **Rajahmundry Branch**

The clinic was set-up in the year 2013; it is situated in the centre of Rajahmundry city at D. No. 2-2-2/1 Devangula Street, Amalpuram East, Godavari district. The Branch is situated on a leasehold property having 1,500 square feet of area. The facilities available at the branches are six consultancy rooms, a waiting area for 10-15 people, a reception area. There are three resident Doctors and 5 support staff available at this branch working towards betterment of patients.

### **Karnataka**

- **Malleswaram Branch**

This clinic was started in April 2013, it is situated in the centre of Bangalore city near famous Iskon temple in Malleshwaram area in the state of Karnataka at H. No. 93/2-1, 4th Main Road, Margosa Road, near 12th Cross, Malleshwaram, Bangalore – 560 003. The Branch is situated on a leasehold property having 2,400 square feet of area. The facilities available at this branch are eight consultancy rooms for resident and visiting doctors, a waiting area for 15-20 people, a reception area and one Ayurveda therapy room. There are three resident Doctors and 6 support staff available at this branch working towards catering the needs of patients.

- **Jayanagar Branch**

This clinic was set-up in April 2013 and it is situated in a well known location of Bangalore at Ground Floor, No. 771, 34<sup>th</sup> Cross, 10<sup>th</sup> Main, Jayanagar, Bangalore – 560011. The Branch is situated on a leasehold property having approximately 1,200 square feet of area. This clinic houses five rooms for consultancy, a waiting area for 8-10 people, a reception area and one Ayurveda therapy room. There are four resident Doctors available at this branch working towards catering the needs of patients along with 4 support staff.

- **Davangere Branch**

This clinic was started in September 2013 and it is situated in the heart of Davangere city in the state of Karnataka at K.B. Extension, (Lawyer Road), Door No. 417/1B, Davangere. The Branch is situated on a leasehold property having 3,360 square feet of area. The facilities available at the branch include five consultancy rooms, one waiting area for 20-25 people and a reception area. There are two resident Doctors and 6 support staff available at this branch that cater the needs of the patients and manage all the healthcare services provided. This branch also has facilities for visiting doctors who use the additional consultancy rooms as and when required.

- **Gulbarga Branch**

In October 2013, this clinic was set-up in the well known and well populated area of Gulbarga city in the state of Karnataka at Plot No. 14 & 20, Sy. No. 113/3, Brahmapur, Jewargir Cross, MSK Mill Road, Gulbarga. The Branch is situated on a leasehold property having 5,400 square feet of area, considering the area it is our largest branch. The facilities available at this branch are ten rooms for consultancy, a large waiting area for approximately 40 people and a reception area. There are three resident Doctors and 4 support staff available at this branch working towards catering the needs of patients. This clinic has a significant number of visiting doctors who are provided a separate consultancy room as and when required.

- **Hubli Branch**

This clinic was started in April 2013; it is situated in the well known area of Hubli city in the state of Karnataka at "Sitaram Nilay" 13/B Kalyan Nagar, Vidya Nagar, Hubli – 580031. The Branch is situated on a leasehold property having 2,000 square feet of area. The facilities available at the branches are six consultancy rooms, a waiting area for approximately 15 people and a reception area. This clinic houses two resident Doctors and 6 support staff, besides some visiting doctors, working towards catering the needs of patients.

## **OUR SERVICES**

Our Company is engaged in the business of Healthcare Clinical Establishments in the field of Homeopathy and Ayurveda. Our services cover treatments for all major ailments / diseases using the traditional Ayurveda medicine and / or Homeopathy medicines, including various therapies.

We are committed to create an awareness regarding various common health problems through are therapy sessions and regular consultancy. We are also explaining to our patients and other people in various cities where we have a presence, regarding therapeutic capability and healing capacity of both, Homoeopathy and Ayurveda system of medicine, as many are still ignorant about the excellent and side effect free treatment available in Homeopathy and Ayurveda for major health problems. Giving desired results in various diseases and educating everyone regarding the potential of alternate medicine without any side effects has formed the foundation of our services offering.

We believe our strong reputation and clinical capabilities in curing chronic diseases, as well as our continuing expansion across other high value clinical specialties, positions us to benefit from the increasing demand in India for quality healthcare services. We have a strong legacy in curing several diseases from alternative treatment of Homeopathy and Ayurveda. Some of the most common and wide range of ailments / diseases cured under the Homeopathy and Ayurveda treatment include:

1. Arthritis Treatment
2. Osteoarthritis Treatment
3. Hair Loss and Dandruff Treatment
4. Anxiety, Depression and Insomnia Treatment
5. Asthma and allergies Treatment
6. Migraine and Other Headaches Treatment
7. Skin problems (Psoriasis, Vitiligo Etc) Treatment
8. Joint Pains, Neck, Back and Knee pains Treatment
9. Infertility (Male & Female) Treatment
10. Thyroid and Other Hormonal / Endocrine problems
11. Piles, fissure and Fistula problems
12. Kidney stones Treatment

13. Cervical and lumbar spondylosis Treatment
14. Gastric Problems
15. Children Problems
16. Irritable bowel syndrome
17. Polycystic ovary syndrome & uterine fibroids
18. Gall bladder stones Treatments
19. Urticaria / hives problems
20. Geriatric problems
21. Liver, hepatitis problems
22. Distress, depression, and other psychiatric problems
23. Oligospermia, Menstrual Problem.
24. Erectile Dysfunction & Premature Ejaculation
25. Acne, Psoriasis & Hyper Pigmentation.

### **OUR BUSINESS PROCESS:**

We follow a business process to flow our operations; our process helps us to provide a better business functioning environment. Our business process goes as:

- Our Company being in the Healthcare industry of Homeopathy and Ayurveda requires publicity and advertisement to reach out the public, to reach desired patients we indulge into regular advertising through newspaper, pamphlets and television.
- Patients give a call to our clinic / our call centre not only for booking an appointment, but also to understand about the facilities available at our clinics. Once the patient is convinced, our call centre executive books an appointment of patient for clinic visit.
- Upon visiting our clinics, we request the patient to register with us, which is free of cost, so that we may create a patient record in our in-house software. A registration form is required to be filled in by the patients and our clinic manager fills all the details in the software for future record and use.
- Once the formalities are completed, Homeopathic / Ayurveda Doctor will meet the patient and take complete detailed history of the patient disease and after examining Doctor will diagnose the disease, and will explain in detail what are the medical problems and why patient is having that particular problem, and what is the stage of problem, how the Homeopathy / Ayurveda would help patient in coming out of problem.
- Once the patient and Doctor consultation gets over, our patient relationship officer will meet the patient to brief the details of fees structure and mode of payment. After the payment being done, the allocated doctor (i.e. Homeopathy or Ayurveda, as opted by the patient) will commence the treatment required. The Doctor will give proper medication treatment to the patient and our pharmacist will provide the required medicine as per the Doctors prescription.
- After few days of patients visit, our call centre will take feedback from patients and also call them to remind their due dates to visit the clinics. This procedure helps us to maintain a proper relationship with our patients and also help us in building long term bonding with patients.



## OUR OPERATIONS

The details about the breakup of revenue percentage-wise for Financial Year ended 2018, 2017 and 2016 on the basis of Ayurveda services provided and Homeopathy Services provided by the Company is as follows:

(₹ in lakhs)

Sr. No.	Particular	For year ending March 31,					
		2018		2017		2016	
		Revenue (₹)	(%)	Revenue (₹)	(%)	Revenue (₹)	(%)
1.	Revenue from Homeopathy Services	1,267.49	74.46%	1,320.55	71.39%	1,272.59	65.53%
2.	Revenue from Ayurveda Services	434.73	25.54%	529.29	28.61%	669.31	34.37%

## OUR MAJOR CUSTOMERS

Our Company is providing Medical Healthcare Clinical services where customers are individual patients, so for us, it is not possible to identify the details of top 10 customers.

## HUMAN RESOURCE

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We have developed a large pool of skilled and experienced personnel. Currently, our Company has a prudent mix of skilled / unskilled employees for, quality control and quality assurance assistants and helpers etc.

We have employed staff on payroll and on contract basis as on March 31, 2018 we had 401 employees considering all the branches (excluding executive Directors).

The details of manpower employed as on March 31, 2018 are as under:

Sr. No	Category	Number of Employees
1.	Executive Director	2
2.	Key Managerial Personnel (KMP)	5
3.	Other Employees (Registered Office and all other Branches) (including office and administration staff )	396
	<b>Total</b>	<b>403</b>

## Recruitment and Training

The recruitment and selection of staff is one of the most important activities carried out by our human resource department to ensure high quality patient care. We recognize that highly skilled, experienced and motivated staff is essential to enable us to deliver our healthcare services and are committed to ensuring the recruitment and selection of staff is undertaken in an efficient manner. Vacancies, as and when they arise are advertised and candidates are thereafter shortlisted for interviews. While short listing candidates, certain criteria, such as job requirements, skill mix, educational qualification and experience are considered. We also undertake pre-employment checks wherever required.

We believe that training of our doctors and other medical / support staff, including pharmacists, is essential in order to maintain the quality of care we strive to offer to our patients. We regularly organise conferences and workshops for our doctors and medical / support staff, as well as seminars for educating the benefits of the alternative treatments provided by us.

## SOURCING OF MEDICINES

Our Company maintains an in-house pharmacy at every clinic / branch. These pharmacies are managed by well trained pharmacists, who are responsible for mixing and distributing Homeopathy and / or Ayurveda medicines to the patients as per the instruction of the consulting Doctor.

Homeopathy and Ayurveda medicines are traditionally based on natural ingredients including various food and plant ingredients. Our Company procures all its ingredients across our various locations on a regular basis and in pre-determined quantities such as to meet the expected patient demand. There are various manufacturers in the States of Telangana, Andhra Pradesh and Karnataka who deal in these ingredients and supply the same to Homeopathy and Ayurveda clinics through different distributors and stockists. We have a range of suppliers, including traders and manufacturers in these 3 States from whom we procure these ingredients on a regular basis.

## COLLABORATIONS

The Company so far has not been entered into any technical or financial collaboration agreement with any of the outside agency or company.

## SEASONABILITY

The Companies business is not seasonable.

## MARKETING SET-UP

Our Company has always focused on meeting the requirement of our patients and providing them maximum support in terms of quality and satisfaction. Our success lies in the strength of our relationship with our patients. We believe our relationship with the patients is well established as we receive repeated patients for our different services. We spent good amount on advertisement and publicity to reach out new patients.



## INTELLECTUAL PROPERTY

We have registered following Intellectual properties with the Trade Mark Registry, Mumbai



Sr. No.	Particulars of the mark	Word/Label mark	Applicant	Trademark/ Application Number	Issuing Authority	Certificate Detail	Class	Period of validity
1.	Star Health Science	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442332	Trade Marks Registry, Mumbai	Certificate bearing No. 1918071 dated July 13, 2018	5	December 13, 2022
2	Star Ayurveda	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442331	Trade Marks Registry, Mumbai	Certificate bearing No. 191807 dated July 13, 2018	5	December 13, 2022
3	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442317	Trade Marks Registry, Mumbai	Certificate bearing No. 1858885 dated May 13, 2018	5	December 13, 2022
4	Star Health Science	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442314	Trade Marks Registry, Mumbai	Certificate bearing No. 1865974 dated May 21, 2018	35	December 13, 2022
5	Star Ayurveda	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442313	Trade Marks Registry, Mumbai	Certificate bearing No. 1858883 dated May 13, 2018	35	December 13, 2022
6	Star Health Science	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442213	Trade Marks Registry, Mumbai	Certificate bearing No. 1858968 dated May 14, 2018	16	December 13, 2022
7	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442211	Trade Marks Registry, Mumbai	Certificate bearing No. 1366466 dated October 05, 2016	16	December 13, 2022
8	Star Ayurveda	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442206	Trade Marks Registry, Mumbai	Certificate bearing No. 1918189 dated July 13, 2018	44	December 13, 2022
9	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442205	Trade Marks Registry, Mumbai	Certificate bearing No. 1858967 dated May 14, 2018	44	December 13, 2022
10	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442211	Trade Marks Registry, Mumbai	Certificate bearing No. 1366466 dated October 05, 2018	16	December 13, 2022
11		Device	Mrs. K. Ratnamala <sup>(1)</sup>	2667391	Trade Marks Registry, Mumbai	Certificate bearing No. 1949411 dated August 09, 2018	44	January 28, 2024

Sr. No.	Particulars of the mark	Word/Label mark	Applicant	Trademark/ Application Number	Issuing Authority	Certificate Detail	Class	Period of validity
12	Star Ayurveda Homeopathy	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443699	Trade Marks Registry, Mumbai	Certificate bearing No. 1866024 dated May 21, 2018	35	December 17, 2022
13	Star Homeopathy Ayurveda	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443698	Trade Marks Registry, Mumbai	Certificate bearing No. 1866023 dated May 21, 2018	35	December 17, 2022
14	Dental International	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443697	Trade Marks Registry, Mumbai	Certificate bearing No. 1866022 dated May 21, 2018	16	December 17, 2022
15	Star Ayurveda Homeopathy	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443696	Trade Marks Registry, Mumbai	Certificate bearing No. 1866021 dated May 21, 2018	16	December 17, 2022
16	Star Homeopathy Ayurveda	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443695	Trade Marks Registry, Mumbai	Certificate bearing No. 1866020 dated May 21, 2018	16	December 17, 2022

(1) The above said trademarks are registered in the name of Mrs. K. Ratnamala Promoter Director of our Company, however she had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.

(2) The above said trademarks are registered in the name of Dr. K. Murali Ahki Reddy, however he had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.

In addition to the above; following are the intellectual properties we are using in our business; however application has been made with the relevant authorities

Sr. No.	Particulars of the mark	Word/ Label mark	Applicant	Trademark/ Application Number	Class	Period of validity
1.	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442312	35	Accepted & Advertised
2		Device	Mrs. K. Ratnamala <sup>(1)</sup>	2667390	44	Accepted & Advertised
3	Dental International	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443700	35	Accepted & Advertised
4	Dental International	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443694	5	Accepted & Advertised
5	Star Ayurveda Homeopathy	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443693	5	Accepted & Advertised
6	Star Homeopathy Ayurveda	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443692	5	Accepted & Advertised
7	Star Dental	Word	Dr. K. Murali Anki Reddy <sup>(2)</sup>	2562443	16	Accepted & Advertised
8		Device	Dr. K. Murali Anki Reddy <sup>(2)</sup>	2667389	44	Accepted & Advertised

- (1) The above said trademarks are registered in the name of Mrs. K. Ratnamala Promoter Director of our Company, however she had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.
- (2) The above said trademarks are registered in the name of Dr. K. Murali Ahki Reddy, however he had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.

## ACCREDITATIONS/ AWARDS / ACHIEVEMENTS

### Accreditations and Certifications obtained

Accreditation/ Certifications	Certificate No.	Validity period	Description
ISO 9001:2015	Q91864141046	To be revalidated by 18.06.2021	Certifying the quality management system, confirming the scope of the providing quality services in healthcare services in homeopathy and ayurveda.

### AWARDS AND ACHIEVEMENTS

Award	Year	Description
Prime Time Award	2015	Awarded as Best Homeopathy clinic in India in the year 2015 by Prime Time Research Media Private Limited.

### COMPETITION

Homeopathy and Ayurveda clinical being a global industry, we face competition from small as well as big players in the industry in domestic market. This industry is highly competitive. We have a number of competitors offering services similar to us. Even with a diversified service portfolio, quality approach, we may have to face competitive pressures. Our Competitors in the same industry are Homeo Care International Private Limited, Dr Batras Clinics, Positive Life Science Private Limited.

### PROPERTIES

Details of our property are as follows:-

### LEASED/ LEAVE AND LICENSE PROPERTY

Sr. No.	Name of the Licensor*	Details of the Property	Term of the Licence	Amount of Licence Fee and Security Deposit	Purpose
1.	V. Anand Kumar	H. No. 1-2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003	September 1, 2018 to August 31, 2024	<b>Licence Fee-</b> ₹ 60,000 and ₹ 7,500 additional maintenance charges per month and Security deposit of ₹ 3,00,000	Registered Office
2.	Usha Dwarkanath	Ground Floor, No. 771, 34 <sup>th</sup> Cross, 10 the Main, Jayanagar, Bangalore – 560 011	April 1, 2016 to March 31, 2019	<b>Licence Fee-</b> ₹ 48,620 per month and Security deposit of ₹4,00,000	Bangalore Branch
3.	Sathya Narayana Raikar	K.B. Extension, (lawyer road), Door No. 417/1B, Davangere	December 1, 2013 to November 30, 2022	<b>Licence Fee-</b> ₹ 50,000 per month and Security deposit of ₹5,00,000	Davangere Branch
4.	Subhas Chandra Rawoor	Plot No. 14&20, Sy No. 113/3, Brahmapur, Jewargir Cross, MSK Mill Road, Gulbarga	April 1, 2014 to March 31, 2023	<b>Licence Fee-</b> ₹ 72,000 per month and Security deposit of ₹7,00,000	Gulbarga Branch
5.	Prabha S Shetty	"Sitaram Nilay" 13/B Kalyan Nagar, Vidya Nagar, Hubli – 31	November 1, 2017 to September 30, 2018	<b>Licence Fee-</b> ₹ 37,041 per month and Security deposit of ₹ 1,50,000	Hubli Branch

Sr. No.	Name of the Licensor*	Details of the Property	Term of the Licence	Amount of Licence Fee and Security Deposit	Purpose
6.	K. R. Mahipal	H No. 123-125, 5th Floor, Opp: Fruit Market, Kontham Ramreddy Complex, Krishnaveni Nagar, Kothapet, Hyderabad - 60	January 1, 2013 to December 31, 2018	<b>Licence Fee-</b> ₹ 55,000 per month and Security deposit of ₹2,20,000	Kothapet Branch
7.	M. Sumana Moole	1st Floor, MIG - 234, K.P.H.B Colony, Kukatpally, Hyderabad - 72	November 1, 2014 to October 31, 2017	<b>Licence Fee-</b> ₹ 88,000 per month and Security deposit of ₹4,80,000.	Kukatpally Branch
8.	Vipool H. Malkan	H. No. 93/2-1, 4th Main Road, Margosa Road, near 12th Cross, Malleshwaram, Bangalore - 560	April 1, 2013 to March 31, 2018.	<b>Licence Fee-</b> ₹ 75,000 per month and Security deposit of ₹7,50,000.	Malleshwaram Branch
9.	D Devi Prasuna	D.No.2-2-2/1 Devangula Street, Amalpuram East, Godavari district	December 25, 2015 to December 24, 2020	<b>Licence Fee-</b> ₹ 35,000 per month and Security deposit of ₹2,00,000.	Rajahmundry Branch
10.	C. V. Pradyumana	1st Floor, No. 116 & 117, Bhuvana Towers, Door No. 193 (New), Sarojini Devi Road, Secunderabad- 500009	July 1, 2013 to June 30, 2022	<b>Licence Fee-</b> ₹ 83,782 per month and Security deposit of ₹4,35,000.	Secunderabad Branch
11.	B. G. Manohar	Office No. 309, 3rd Floor, Bhuvana Towers, Municipal No. 1-2-166 to 193/309, S.D Road, Secunderabad	February 15, 2017 to February 14, 2020	<b>Licence Fee-</b> ₹ 50,000 lakhs per month and Security deposit of ₹1,50,000.	Call Centre
12.	K. Chandra Shekhar Naidu	Plot No. 19-8-112d, Opp. HDFC Bank & IBP Petrol Bunk, Air Bypass Road, Near Annamiah Circle, Thirupati	April 1, 2013 to March 31, 2023	<b>Licence Fee-</b> ₹ 47,000 per month and Security deposit of ₹4,00,000.	Thirupathi Branch
13.	Kandru Venkata Siva Prasad	D/o:29-14-26,Prakasam Road, Vijayawada- 2	August 22, 2013 to August 21, 2019	<b>Licence Fee-</b> ₹ 35,000 per month and Security deposit of ₹2,00,000.	Vijaywada Branch
14.	P. Sudha, A. Padma and P. Lakshmi	29-2-31 1st Floor, Hemlatha Towers, Opp. Judge Court, Besides CMR Shopping Mall, Vishakhapatnam - 530020	March 1, 2013 to February 28, 2019	<b>Licence Fee-</b> ₹ 42,000 per month and Security deposit of ₹2,52,000.	Visakhapatnam Branch
15.	Chinthala Saroja	Flat No. 6-2-267-269, 1st Floor, Pinjara Street, Vijaya Talkies Road, Hanumakonda, Warangal	October 15, 2013 to October 14, 2022	<b>Licence Fee-</b> ₹ 30,000 per month and Security deposit of ₹1,80,000.	Hanumakonda Branch.

\* The owners hereby grant permission and license to the Conductor i.e. SHSIL to (a) use and occupy the premises (b) to use furniture's, fixtures and fittings and all other facilities available with it.

## KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

### A. INDUSTRY RELATED LAWS

#### **The Clinical Establishments (Registration and Regulation) Act, 2010 (“CERR Act”)**

The CERR Act provides for registration and regulation of clinical establishments and prescribes minimum standards for facilities and services provided by them. Currently, the CERR Act is in effect in the States of Arunachal Pradesh, Himachal Pradesh, Mizoram, Sikkim, Uttar Pradesh, Rajasthan, Bihar, Uttarakhand and Jharkhand and all Union Territories except Delhi (“Notified Areas”). Additionally, the States of Bihar, Jharkhand, Uttarakhand, Himachal Pradesh, Arunachal Pradesh and Sikkim, and Union Territories of Puducherry, Dadra & Nagar Haveli, Daman & Diu and Andaman & Nicobar Islands have framed rules applicable to their respective states under the CERR Act, prescribing inter alia the powers of registration authority, procedure for registration of clinical establishments and applicable fee.

The CERR Act defines a “clinical establishment” to include inter alia a place established in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment, are usually carried.

While draft minimum standards under the CERR Act for various services to be provided by, and application formats for permanent registration of, clinical establishments have been made publicly available, these are yet to be notified in the Official Gazette. In the interim, clinical establishments in Notified Areas are required to apply for provisional registration under the CERR Act within six months of establishment, irrespective of prior registration under any other applicable laws, which would be valid for an initial period of 12 months, subject to renewal for time periods as prescribed under the CERR Act. Permanent registration shall only be applied for and granted if the clinical establishment meets the prescribed standards for registration under the CECG Rules, once notified. Unless revoked on account of contravention of any provisions of the CERR Act or CECG Rules, such registration would be valid for a period of five years and may be renewed pursuant to an application made within six months before the expiry of the permanent registration.

#### **The Clinical Establishments (Central Government) Rules 2012 (“CECG Rules”)**

The Ministry of Health and Family Welfare, Government of India by a notification dated May 23, 2012 brought into force the CECG Rules, which are applicable to the states wherein the CERR Act is in operation. The CECG Rules inter alia, provide conditions for registration and continuation of clinical establishments. In terms of CECG Rules, clinical establishments are required to display the rates for each type of services in vernacular and English language, the rates to be charged are ought to be within the range as determined by the Central Government, the clinical establishments are required to ensure compliance with standard treatment guidelines as determined and issued by the Central Government or the State Governments as the case may be, clinical establishments are required to maintain electronic records of every patient.

Additionally, clinical establishments are also required to maintain information and statistics in accordance with the CECG Rules. Additionally, States of Bihar, Jharkhand, Uttarakhand, Himachal Pradesh, Arunachal Pradesh and Sikkim, and Union Territories of Puducherry, Dadra & Nagar Haveli, Daman & Diu and Andaman & Nicobar Islands have framed rules applicable to their respective states under the CERR Act, prescribing inter alia the powers of registration authority, procedure for registration of clinical establishments and applicable fee.

Certain states/union territories which are governed by other legislations for regulation of clinical establishments or nursing homes, wherein the CERR Act is not applicable, are as follows:

- Haryana Clinical Establishments (Registration and Regulation) Act, 2014;
- The Andhra Pradesh Private Medical Care Establishments (Registration and Regulation) Act, 2002;
- The Bombay Nursing Homes Registration Act, 1949;

- The Delhi Nursing Homes Registration Act, 1953;
- The Jammu and Kashmir Nursing Homes and Clinical Establishment (Registration and Licensing) Act, 1963;
- The Madhya Pradesh Upcharya Griha Tatha Rujopchar Sanbabdu Sthapamaue (Ragistrikaran Tatha Anugyapan) Adhiniyam, 1973;
- The Manipur Homes and Clinics Registration Act, 1992;
- The Nagaland Health Care Establishments Act, 1997;
- The Orissa Clinical Establishments (Control and Regulation) Act, 1990;
- The Punjab State Nursing Home Registration Act, 1991; and
- The West Bengal Clinical Establishment Act, 1950.

### **Karnataka Private Medical Establishment Act, 2007 (KPME)**

The Karnataka Private Medical Establishment Act, 2007 (KPME) was enacted to consolidate and amend the law relating to the regulate Private Medical Establishments in public interest to Promote Quality health care by stipulating Minimum standards keeping with the principles of medical ethics and to prevent quackery by unqualified practitioners by introducing registration system and to prescribe minimum standards of facilities and services for all categories of health care establishments.

### **Telangana and Andhra Pradesh Shops and Establishment Act, 1988**

According to the Notification published in an Extraordinary Issue of the Telangana Gazette, dated 01.02.2016, Government of Telangana have decided to adapt the Andhra Pradesh Shops and Establishments Act, 1988 as amended from time to time with necessary modification, so as to facilitate its application to the State of Telangana. Further, in the Andhra Pradesh Shops and Establishment Act, 1988, for the words “Andhra Pradesh” (occurring otherwise than in a citation or description or title of other laws including the Rules as the case may be), the word “Telangana” has been substituted.

The Telangana Shops and Establishments Act, 1988 was enacted to consolidate and amend the law relating to the regulation of conditions of work and employment in shops, commercial establishments and other establishments and for matters connected therewith. In the implementation of the said Act and in the changed conditions in labour relations, it is found necessary to provide for some more measures for safeguarding the interests of the employees.

## **B. LAWS REGULATING LABOUR AND EMPLOYMENT**

### **Payment of Bonus Act, 1965**

Pursuant to the Payment of Bonus Act, 1965, as amended (the “Bonus Act”), an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Contravention of the provisions of the Bonus Act by a company is punishable by imprisonment for up to six months or a fine of up to ₹ 1,000 or both, against persons in charge of, and responsible to the company for, the conduct of the business of the company at the time of contravention.

### **The Employees State Insurance Act, 1948**

The Employees State Insurance Act, 1948 (“ESI Act”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **The Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund



equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Payment of Gratuity Act, 1972**

The Gratuity Act, as amended from time to time prescribes compulsory gratuity payable by factories, mines, plantations and other establishments where 10 or more persons are employed. The Gratuity Act entitles every employee who has completed 5 years of service (taken as 4 years and 240 days for those having a 6 day work week and 4 years and 190 days for those having a 5 day work week) to gratuity calculated at the rate of 15 days wage for each year of completed service or part thereof in excess of 6 months, subject to a maximum of ₹ 20 lakhs.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MWA"), as amended, came into force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. The MWA mandates payment of minimum rates of wages to workers based on the nature of work and industry. State Governments set minimum wages in specific trades and industries, except in relation to state-owned corporations and certain sectors, for which the Central Government fixes minimum wages. Despite the issuance of such notifications, employers paying higher wages than the minimum must continue to pay the same. There is no national minimum wage in cases where minimum wages are fixed by the state government, since different minimum wages are fixed for each employment and each zone, by each state. The competent government reviews minimum wages at intervals of at the most five years, and at such shorter intervals as it may consider appropriate.

### **The Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 ("Wages Act"), as amended from time to time aims at ensuring payment of wages in a particular form at regular intervals without unauthorized deductions. It regulates the payment of wages to certain classes of employed (directly or indirectly or through a sub-contractor) persons and regulates the imposition of fines and deductions, lays down wage periods and time and mode of payment of wages and provides the means of recovery of unpaid wages. Persons whose wages are more than ₹ 24,000 per month are outside the ambit of the Wages Act.

### **Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

### **The Child Labour (Prohibition and Regulation) Act, 1986**

It outlines where and how children can work and where they cannot. The provisions of the act are meant to be acted upon immediately after the publication of the act, except for part III that discusses the conditions in which a child may work.

The act defines a child as any person who has not completed his fourteenth year of age. Part II of the act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also prohibits children from working in places where certain processes are being undertaken, as listed in Part B of the Schedule; for example: beedi making, tanning, soap manufacture, etc.

### **Maternity Benefit Act, 1961**

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW

Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/-.

## **C. INTELLECTUAL PROPERTY LEGISLATIONS**

### **INTELLECTUAL PROPERTY:**

The Trademarks Act, 1999, The Patents Act 1970 and the Copyright Act, 1957 inter alia govern the law in relation to intellectual property, including patents, copyrights, trademarks, service marks, brand names, trade names and research works.

“Intellectual Property Rights” or “IPR” means all trade secrets, patents and patent applications, trade marks (whether registered or unregistered and including any goodwill acquired in such trade marks), services marks, trade names, internet domain names, copyrights, moral rights, database rights, design rights, rights in know-how, rights in Confidential Information, rights in inventions (whether patentable or not) including, but not limited to, any and all renewals or extensions thereof, and all other proprietary rights (whether registered or unregistered, and any application for the foregoing), and all other equivalent or similar rights which may subsist anywhere in the world, including, but not limited to, any and all renewals or extensions thereof.

### **TRADEMARK**

The Trade Marks Act, 1999 (“Trademark Act”) governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. However, the registration of a trademark that is not inherently distinctive on the basis of intent to use may be difficult to obtain. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored. The average timeline for the completion of the entire registration process is three to four years. However, it is likely that this timeline may be reduced in the near future due to initiatives which have been recently undertaken to expedite trademark filings.

## **D. Tax Related Legislations**

### **Income Tax Act 1961**

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and the like. Every such company is also required to file its returns by September 30 of each assessment year.

### **The Customs Act, 1962**

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duty on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is first required to get registered under the Custom Act and obtain an Importer Exporter Code. Imported goods in India attract basic customs duty, additional customs duty and education cess. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

## **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority. The Telangana Tax on Professions, Trades, Callings and Employments Act, 1987, Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 and The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976 are applicable to the Company.

## **The Central Goods and Services Tax Act, 2017 (the “GST Act”)**

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realize the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer. Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. This Act has been made applicable with effect from 1st July 2017.

With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits.

The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services.

India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced. However, Pursuant to the Notification No. 12/2017 Central Tax dated 28.06.2017 of the ministry of finance the provisions of Central Good & Service Tax Act, 2017 are not applicable to our Company.

## **E. OTHER LEGISLATIONS**

### **The Companies Act, 1956**

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

## **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. Barring a few sections, the entire enactment has been notified by the Ministry of Corporate Affairs from time to time by specifying the effective dates from which the notified provisions along with the rules made thereunder shall come into force. Although substantial changes have been incorporated in the new Act, several key provisions remain unchanged. The new Act can help deal with the complexities that the current procedures face that were contemplated under the old Act. The New Act has incorporated various provisions to tackle the problems actually faced in the due process and certain rules were also incorporated under the new Act. One salient feature of the New Companies Act, 2013 is that from a statute which was a substantive cum procedural law in the earlier avatar, in the current form it has been made more rule based making it vulnerable to frequent amendments

## **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 ("MSMED Act") inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹ 25,00,000 (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000 (Rupees Twenty Five Lakh Only) but does not exceed ₹ 5,00,00,000 (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000 (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000 (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed ₹ 10,00,000 (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than ₹ 10,00,000 (Rupees Ten Lakhs Only) but does not exceed ₹ 2,00,00,000 (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹ 2,00,00,000 (Rupees Two Crores Only) but does not exceed ₹ 5,00,00,000 (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

## **The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

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

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("Stamp Act") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

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

The Indian Contract Act, 1872 (“**Contract Act**”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

## **Consumer Protection Act, 1986**

The Consumer Protection Act, 1986, provides remedies to consumers with respect to deficiency of services. Services provided by hospitals are covered under the Consumer Protection Act, 1986. In the event of medical negligence, patients are entitled to, depending on the quantum of the claims, file complaints against us before the District Consumer Disputes Redressal Forum, the State Consumer Disputes Redressal Commission or the National Consumer Disputes Redressal Commission. These forums have the power to award damages and costs against us for any medical negligence established against us. Appeals are available against orders of the District Consumer Disputes Redressal Forum before the State Consumer Disputes Redressal Commission, against orders of the State Consumer Disputes Redressal Commission to the National Consumer Disputes Redressal Commission and against orders of the National Consumer Disputes Redressal Commission to the Supreme Court of India.

## **The Specific Relief Act, 1963**

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

## **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

In India, the main legislation concerning foreign trade is the Foreign Trade (Development and Regulation) Act, 1992 (“FTA”). The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import (“EXIM”) Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

## **Competition Act, 2002**

The Competition Act, 2002 (“**Competition Act**”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.



## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Star Health Sciences India Private Limited on February 26, 2014 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 093200. The status of our Company was changed to a public limited company and the name of our Company was changed to Star Health Sciences India Limited by a special resolution passed on August 06, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on August 24, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U74120TG2014PLC093200.

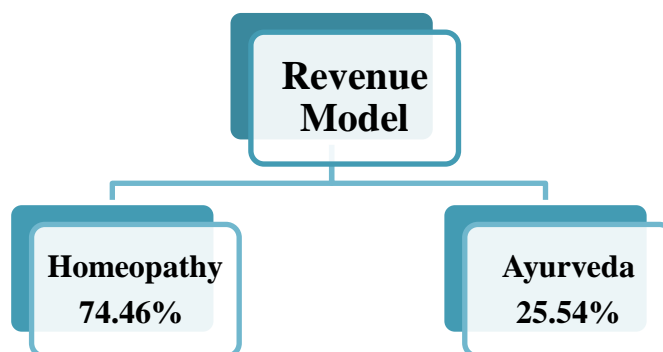
### ***Our Business***

Our Company is engaged in the business of Healthcare Clinical services in the field of Ayurveda and Homeopathy. Our Company, acquired the running business of a partnership firm in the name and style of M/s. Star Health Sciences in the year 2014. The said acquisition enabled our Company to pursue its vision to provide the best medical treatment in the most advanced way with the use of latest clinical knowledge and medical diagnostic avenues. We currently have 13 specialty homeopathic and ayurveda clinics / branches located in different cities of Telangana, Andhra Pradesh and Karnataka. Further we have a team of more than 55 doctors and 145-150 well trained staff working to give best services to our existing and new patients.

We operate a wide network of clinics / branches in South-India region and we believe our brands Star Homeopathy and Star Ayurveda are strongly associated with our mission to deliver high quality healthcare services which are result oriented. We stand to cure, care, comfort, and last to improve quality of life. Our Promoters, Dr. Amda Ramakrishna and Dr. Srinivasa Gupta Kandula, hold experience of more than 2 decades each, in the field of Homeopathy and / or Ayurveda and with the help of their experience we provide better and desired healthcare service to our patients.

We have invested in technology both for clinical purposes as well integrating systems and processes for betterment of patient and quality control. We believe that our brand image and operational experience in our core markets provide us the platform to further expand our presence and operations in other locations across the country. Our clinical capabilities include facilities for treating chronic diseases like diabetes, infertility, arthritis, children problems, skin diseases, renal stones, thyroid, and many more without any side effects (as compared to other treatment methods).

We believe that our “**STAR HOMEOPATHY & STAR AYURVEDA**” brands are widely recognized in South India for the provision of high quality, compassionate and effective healthcare services. Our business revenue is bifurcated into Revenue from Ayurveda and Revenue from Homeopathy. The percentage wise breakup is given below:



We are certified by ISO 9001:2015 for providing services as per the requirement of quality standards of Healthcare Services. These certifications confirm to the Quality Management System of our Company in relation to the service of Homeopathy and Ayurveda. Our clinic in Secunderabad had been inaugurated by the then Deputy Chief Minister of Andhra Pradesh Shree Damodar Raja Narsimha in the year 2014. We are working towards promoting Homeopathy and Ayurveda with the masses by conducting free medical health camps as part of a social responsibility drive.

Our Registered office is situated in Secunderabad and we operate 13 clinics / branches in various cities in southern India region and a call centre in Secunderabad. Our each clinic sizes vary between 1,200 sq. ft to 5,500 sq. ft. Our clinics / branches are designed with state-of-the-art infrastructure to provide hygiene and a safe environment. Facilities available at all our clinics include a reception desk, comfortable seating capacity (15-20 seats), four to eight consultation rooms and a dedicated Ayurveda therapy rooms. For Details of our existing clinics and office please refer “*Our Business – Properties*” on page no. 86 of this Draft Prospectus.



Our revenue from operations for the financial year ending 2017-2018, 2016-17 and 2015-16 was ₹ 1,702.21 lakhs, ₹ 1,849.84 and ₹ 1,941.90 lakhs respectively. Our Net Profit after tax for the above mentioned periods i.e. in the last 3 years was ₹ 70.36 lakhs in F. Y. 2017-18, ₹ 4.32 lakhs in F. Y. 2016-17 and ₹ 12.98 lakhs in F.Y. 2015-16

Our Company has Eleven (11) shareholders, as on the date of this Draft Prospectus.

## Major Events

Year	MILESTONE
2014	Incorporated under Companies Act, 1956 as Star Health Sciences India Private Limited on 26 <sup>th</sup> February, 2016.
2014	Our Company had acquired 100% business of Partnership Firm 'Star Health Sciences' with all Assets and Liabilities.
2015	Prime Time awarded us <b>BEST HOMEOPATHY CLINIC IN INDIA</b> in Global Healthcare Excellence Awards 2015.
2016	We shifted our Rajahmandry branch to Ground Floor to 1st Floor in same Location, which is inaugurated by then Member of Parliament of Andhra Pradesh Sri Maganti Murali Mohanji.
2017	Started new customer services section for follow up with the patient at Secunderabad
2018	Our Company became ISO Certified and got ISO 9001:2015 for providing quality services in the field of Homeopathy and Ayurveda.

## MAIN OBJECTS

The main object of our Company is as follows:

1. To acquire, establish and maintain one or more hospitals for the reception and treatment of persons suffering from illness or mental defect or for reception and treatment of persons during convalescence or of persons requiring medicinal attention or rehabilitation, solely for philanthropic purposes and not for purposes of profit and to provide medical relief to the public in all branches of medical sciences by all available means to set up Homeopathic clinics, ayurveda clinics, dental clinics, fertility hospitals, nursing homes, and healthcare centers and provide, encourage, initiate or promote facilities for the discovery, improvement or development of new methods of diagnosis, understanding and prevention and treatment of diseases.
2. To encourage the discovery of new medical and / or surgical management of diseases and afflictions and to investigate and make known the nature and merits of investigations and findings and research in the said field and to acquire any patent and licenses or other protective devices relating to the results of any discovery, investigations, findings or researches and to acquire any processes upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any product developed, discovered or improved and / or to give licenses for the manufacture of the same to others and either to market the same or to grant licenses to others to market the same on such terms as the society may deem it fit to do manufacturing homeopathy and ayurvedic medicines and sale. to undertake the business of providing medical facilities including nursing homes, hospitals, and diagnostics consulting homes for medical men and conduct and to carry on experiments and to provide funds for research works and for scholarships, stipend, remuneration and / or other payments or aid to any person or persons engaged in research work, or work connected with or conducive to research and to encourage and to improve knowledge of the persons who are engaged or likely to be engaged in any medical or related profession so as to make available medical relief to the public at large.
3. To establish, run and maintain homeopathic and other hospitals, nursing homes, homeopathic and general clinics, mobile medical centers, in-patient and out-patient services, sanatoria, diagnostic service centers, health care centers, pharmaceutical retail/wholesale shops and other such institutions for rendering homeo, medical and health services of all kinds, and to establish medical research centers, training, teaching and continuing educational centers, both in India and/or abroad to establish, manage, take on lease and conduct nursing homes, clinics, hospitals, dispensaries with all types of medical facilities for improvement of general public health including medical, para medical, general education and to take up any education programs and conduct research activities thereof.
4. To carry on in India or abroad information services, Data bases, management and publishing of Journals related to medical and allied fields and render services such as consultancy, research, diagnosis, laboratory analysis, O & M services for establishing and managing existing and future hospitals and purchase, import, export, buy, sell and deal with all types of Medicines, pharmaceuticals, Medical and Lab equipments and the business of manufacturing,

selling, exporting and dealing in Homeopathic Medicines, ointments bio-chemicals and allied products in wholesale or retail including general merchants, commission & consignment agents, importers & Exporters and to establish large scale medical parks, integrated health cities, medical device manufacturing parks and to cultivate medicinal plants.

5. To encourage the discovery of new medical and/ or surgical management of diseases and afflictions and to investigate and make known the nature and merits of investigations and findings and research in the said field and to acquire any patent and licences or other protective devices relating to the results of any discovery, investigations, findings or researches and to acquire any processes upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any product developed, discovered or improved and to manufacture medicines, medical devices, laboratory equipment or any other related medical equipment or to give licences for the manufacture of the same to others and either to market the same or to grant licences to others to market the same on such terms as the company may deem it fit to do to provide training, coaching related to nursing, hospitals, pharmacy, drug discovery, medicines manufacturing, retailing or any other related courses.

## CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change of Registered Office	Changed From	Changed to
On Incorporation	H. No.3-1-252 & 253 C & D, Above Vijaya Bank, S. D. Road, Secunderbad, Hyderabad, Telangana – 500 003.	
April 16, 2018	H. No.3-1-252 & 253 C & D, Above Vijaya Bank, S. D. Road, Secunderbad, Hyderabad, Telangana – 500 003.	H. No. 10-2-348, Plot No: 231/A, Konda Reddy Street, West Maredpally, Secunderbad, Hyderabad, Telangana – 500 026
August 02, 2018	H. No. 10-2-348, Plot No: 231/A, Konda Reddy Street, West Maredpally, Secunderbad, Hyderabad, Telangana – 500 026	H. No. 1-2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

Date	Nature of Amendment
April 26, 2018	Increase in authorised capital from ₹ 1,00,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 6,00,00,000 divided into 60,00,000 equity shares of ₹ 10 each.
August 16, 2018	Alteration of the Main Object Clause of the Company
August 24, 2018	Conversion from a Private Limited to Public Limited.

## SUBSIDIARIES

As on the date of this Draft Prospectus, we don't have any subsidiary company.

## THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY

There is no accumulated profit/ (losses) not accounted for by our Company.

## HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any holding company within the meaning of Companies Act, 1956.

## JOINT VENTURES

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

## SHAREHOLDERS' AGREEMENT

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

## **LOANS FROM BANKS / FINANCIAL INSTITUTIONS**

As on the date of this Prospectus our Company has availed certain loan facilities from banks and financial institutions. For details, please see the chapter titled “*Financial Indebtedness*” beginning on page no. 146 of this Draft Prospectus.

## **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT**

For details of the capital raising through equity by our Company, please see the chapter titled “*Capital Structure*” beginning on page no. 46 of this Draft Prospectus.

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

Other than the acquisition of the Star Health Sciences (Partnership Firm) in the fiscal year 2014, our Company has not acquired any business or undertaken any mergers, amalgamation, revaluation of assets in the last five years

## **FINANCIAL PARTNERS**

We do not have any financial partners as on the date of this Draft Prospectus.

## **STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Draft Prospectus.

## **OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against the Company.

## OUR MANAGEMENT

### Board of Directors:

Our Company has five (5) Directors consisting of two (2) Executive Director, one (1) Non Executive Non Independent Director and two (2) Non Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<b>Dr. Amda Ramakrishna</b> <i>Chairman &amp; Managing Director</i>  <b>Address:</b> H-No-1-9-306 Achutha Reddy Marg, Vidya Nagar, Hyderabad, Andhra Pradesh – 500 044.  <b>Date of appointment as Director:</b> February 26, 2014  <b>Date of appointment as Chairman and Managing Director:</b> August 02, 2018  <b>Term:</b> Appointed as Chairman and Managing Director for a period of Three years i.e. till August 01, 2021.  <b>Occupation:</b> Business  <b>DIN:</b> 03442694	Indian	48 Years	<ul style="list-style-type: none"> <li>Star Fertility Private Limited</li> <li>Star Ayurveda &amp; Homeopathi Private Limited<sup>(1)</sup></li> </ul>
<b>Mrs. Ratnamala Kandula</b> <i>Whole Time Director</i>  <b>Address:</b> House No.8-5-213/2/1, Sai Krishna Colony, Behind Shirdi Sai Temple, Hasamat Pet, Secunderabad, Bowenpally, Hyderabad, Andhra Pradesh – 500 011  <b>Date of appointment as Director:</b> February 26, 2014  <b>Date of appointment as Whole Time Director:</b> August 02, 2018  <b>Term:</b> Appointed as Whole Time Director for a period of Three years i.e. till August 01, 2021  <b>Occupation:</b> Business  <b>DIN:</b> 06478135	Indian	34 Years	<ul style="list-style-type: none"> <li>Star Fertility Private Limited</li> <li>Star Ayurveda &amp; Homeopathi Private Limited<sup>(1)</sup></li> </ul>
<b>Dr. Jagadeesh Induru</b> <i>Non Executive Non Independent Director</i>  <b>Address:</b> H N 3-3-13 Plot No.16, Bagh Ameeri, Opposite Rama Krishna High School, Kukat Pally, Dist Ranga Reddy, Hyderabad, Andhra Pradesh – 500 072  <b>Date of appointment as Additional Director:</b> August 02, 2018	Indian	50 years	NIL

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Date of Appointment as Non Executive Non Independent Director:</b> August 06, 2018</p> <p><b>Term:</b> liable to retire by rotation.</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 08162699</p>			
<p><b>Dr. Sampath Rao Polineni</b> <i>Non Executive Independent Director</i></p> <p><b>Address:</b> Plot No. 25, Sarda Layout, Mahaveer Nagar, Besides Kotari Bhavan, Gulbarga, Karnataka – 585 102</p> <p><b>Date of appointment as Additional Director:</b> August 02, 2018</p> <p><b>Date of Appointment as Non Executive Non Independent Director:</b> August 06, 2018</p> <p><b>Term:</b> Appointed as Non Executive Independent Director for a period of five years i.e. till August 01, 2023.</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 06930575</p>	Indian	62 Years	<ul style="list-style-type: none"> <li>Neximius Consulting Private Limited</li> </ul>
<p><b>Mr. Sudhakar Navath</b> <i>Non Executive Independent Director</i></p> <p><b>Address:</b> 27-56/1/2, Plot No.44, Rambrmhanagar, Neredmet, Ramakrishna Puram, Hyderabad, Telangana – 500 056</p> <p><b>Date of appointment as Additional Director:</b> August 02, 2018</p> <p><b>Date of Appointment as Non Executive Non Independent Director:</b> August 06, 2018</p> <p><b>Term:</b> Appointed as Non Executive Independent Director for a period of five years i.e. till August 01, 2023.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 06785232</p>	Indian	42 Years	<ul style="list-style-type: none"> <li>Source Industries (India) Limited</li> </ul>

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathi Private Limited has applied for striking off the name to the RoC, due to non operation of business.

For further details on their qualification, experience etc., please see their respective biographies under the heading “Brief Biographies” below:

**Notes:**

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

**BRIEF BIOGRAPHIES OF OUR DIRECTORS****Dr. Amda Ramakrishna**

Dr. Amda Ramakrishna, aged 48 years is the Chairman and Managing Director of our Company. He is one of the Promoters of our Company. He has completed his Post Graduation in Homeopathy from Hahnemann College of Homeopathy and Bachelor of Homeopathic Medicine and Surgery from Gulbarga University. He has more than two decade year of vast experience in Homeopathic Industry. He has worked with Dr. Bhatra's Homeopathy as Senior Homeopathic Consultant and also worked as partner in Homeocare International. He has implemented his immense knowledge for the growth and development of our company.

**Mrs. Ratnamala Kandula**

Mrs. Rantamala Kandula, aged 34 years is the Whole Time Director of our Company. She is one of the founding promoters of our Company. She has 4 years of experience in Administration and Operations. She looks after day to day activities of our Company. Since incorporation she has been instrumental in the consistent growth of our Company's performance and implements a robust overall framework for the organization as a whole.

**Dr. Jagadeesh Induru**

Dr. Jagadeesh Induru, aged 50 years, is the Non Executive Non Independent Director of our Company. He has obtained Master in Pharmacy from Banaras Hindu University, Master Business Administration from IGNOU and has completed his PhD in Pharmaceutical Sciences from Andhra University. He has more than 6 years of worked experience with Ranbaxy Laboratories as Group Leader and Research Scientist and presently working as professor in Gokaraju Rangaraju College of Pharmacy, Hyderabad for last 15 years.

**Dr. Sampath Rao Polineni**

Dr. Sampath Rao Pollineni, aged 62 years, is the Non Executive Independent Director of our Company. He completed his Diploma in Homoeopathic Medicine and Surgery from Board of Indian Medicine, Bachelor of Medicine and Surgery (Homoeopathic) from Osmania University and Doctor of Medicine (Homoeopathy) from Gulbarga University. He has practiced as a professional for 37 years out of which 35 years in teaching. He is currently a principal at H.K.E.S.'s Dr. Maalakaraddy, Homoeopathic Medical College & Hospital, Gulbarga (Karnataka). He was also a member of Central Council of Homoeopathy.

**Mr. Sudhakar Navath**

Mr. Sudhakar Navath, aged 42 years, is the Non Executive Independent Director of our Company. He has completed his Bachelor of Commerce from Osmania University. He has vast experience in finance domain areas includes working in Funds Flow, Cash Credits, Working Capital Management and understanding the key vitals on macro-economic which effect the key functioning of the business. He had worked with various listed and unlisted companies in India. At, present he is a Managing Director in one of the listed company.



## RELATIONSHIP BETWEEN DIRECTORS

None of the Directors of the Company are related to each other.

## Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on August 06, 2018 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 50 crores.

## REMUNERATION OF EXECUTIVE DIRECTORS

### Dr. Amda Ramakrishna, Chairman & Managing Director

The compensation package payable to him as resolved in the shareholders meeting held on August 06, 2018 is stated hereunder:

**Salary:** The total remuneration paid to Dr. Amda Ramakrishna, Chairman and Managing Director, shall not exceed a sum of ₹ 12.00 lakhs per annum.

Remuneration paid to Dr. Amda Ramakrishna for FY 2017-18 was ₹ Nil

### Mrs. Ratnamala Kandula, Whole Time Director

The compensation package payable to him as resolved in the shareholders meeting held on August 06, 2018 is stated hereunder:

**Salary:** The total remuneration paid to Mrs. Ratnamala Kandula, Whole Time Director, shall not exceed a sum of ₹ 12.00 lakhs per annum.

Remuneration paid to Mrs. Ratnamala Kandula for FY 2017-18 was ₹ Nil.

## Compensation to the Non Executive Non Independent Directors and Non Executive Independent Director

Pursuant to a resolution passed at the meeting of the Board of the Company on August 27, 2018 the Non Executive Non Independent Directors and Non Executive Independent Director will be paid ₹ 10,000/- for attending every Board Meeting of the Company & ₹ 5,000/- will be paid for every committee meeting of the Company attended by them..

Remuneration paid to our Non-Executive Directors and Non Executive Independent Director in Fiscal 2018: Nil

## Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Dr. Amda Ramakrishna	5,70,000	20.73%
Mrs. Ratnamala Kandula	5,70,000	20.73%
Dr. Jagadeesh Induru	-	-
Dr. Sampath Rao Polineni	-	-
Mr. Sudhakar Navath	-	-
<b>Total Holding of Directors</b>	<b>11,40,000</b>	<b>41.45%</b>
<b>Total Paid up Capital</b>	<b>2,75,00,000</b>	<b>100.00%</b>

## Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “*Our Management*” and the chapter titled “*Annexure XXIII - Related Party Transactions*” beginning on page nos. 99 and 139 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “*Properties*” within the section titled “*Our Business*” on page no. 86 of this Draft Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus. Further, except as disclosed in “*Properties*” within the section titled “*Our Business*” on page no. 86 of this Draft Prospectus, our Company has not taken any property on lease from our Promoter within two years of the date of this Draft Prospectus.

## Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr. No.	Name of Director	Date of Change	Reason for change
1	Mr. Ravinder Reddy Palle	April 16, 2018	Resignation from the post of Director
2	Mr. Konda Murali Anki Reddy	April 16, 2018	Resignation from the post of Director
3	Dr. Amda Ramakrishna	August 02, 2018	Change in designation as Chairman & Managing Director
4	Mrs. Ratnamala Kandula	August 02, 2018	Change in designation as Whole Time Director
5	Mr. Sudhakar Navath	August 02, 2018	Appointment as Additional Director
6	Dr. Sampath Rao Pollineni	August 02, 2018	Appointed Additional Director
7	Dr. Jagadeesh Induru	August 02, 2018	Appointed as Additional Director
8	Mr. Sudhakar Navath	August 06, 2018	Change in designation as Non Executive Independent Director
9	Dr. Sampath Rao Pollineni	August 06, 2018	Change in designation as Non Executive Independent Director
10	Dr. Jagadeesh Induru	August 06, 2018	Change in designation as Non Executive Non Independent Director

## Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has five (5) Directors. In compliance with the requirements of the Companies Act we have two (2) Executive Director, one (1) Non Executive Non Independent Director and two (2) Non Executive Independent Directors on our Board. Our Chairman is an Executive Director and we have one woman director on our Board.

## Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

### 1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated August 27, 2018 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Sudhakar Navath	Non-Executive Independent Director	Chairman
Dr. Sampath Rao Polineni	Non-Executive Independent Director	Member
Dr. Amda Ramakrishna	Chairman & Managing Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;

- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

#### *Meeting of Audit Committee*

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

## **2. Stakeholder's Relationship Committee**

The Shareholder and Investor Grievance Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated August 27, 2018. The Shareholder and Investor Grievance Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Sudhakar Navath	Non-Executive Independent Director	Chairman
Dr. Sampath Rao Polineni	Non-Executive Independent Director	Member
Dr. Amda Ramakrishna	Chairman & Managing Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- Allotment and listing of our shares in future
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

#### ***Quorum and Meetings***

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated August 27, 2018

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Dr. Sampath Rao Polineni	Non-Executive Independent Director	Chairman
Mr. Sudhakar Navath	Non-Executive Independent Director	Member
Dr. Jagadeesh Induru	Non Executive Non Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

#### *Quorum and Meetings*

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

The Company Secretary of our Company acts as the Secretary to the Committee.

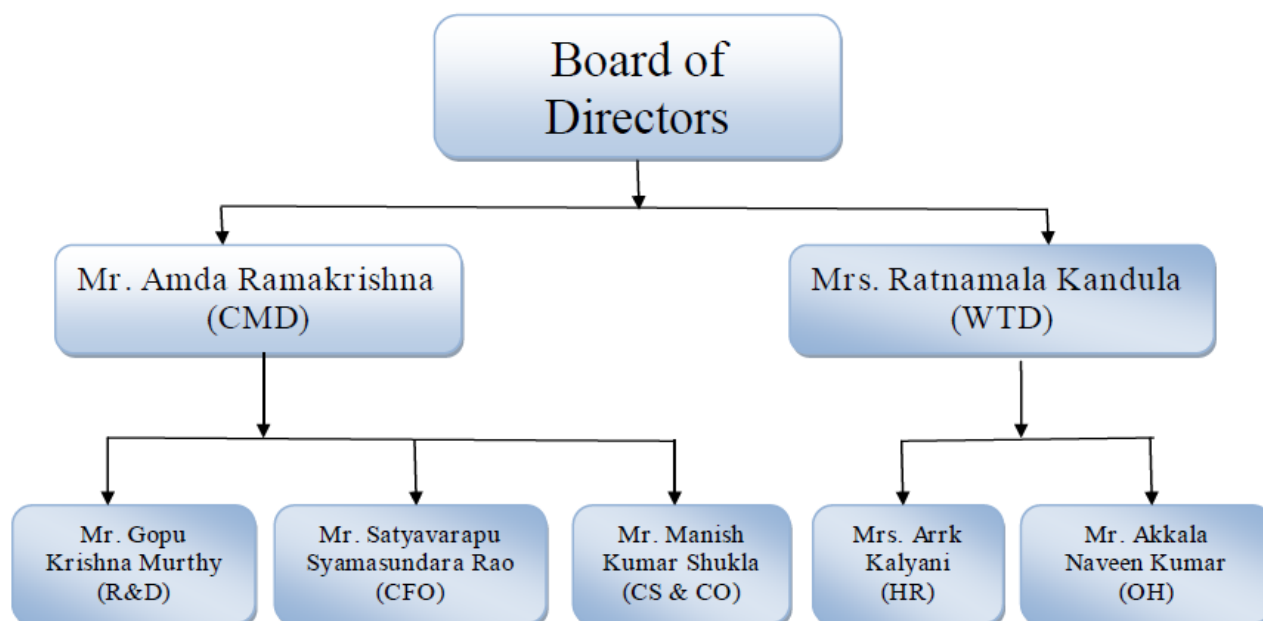
#### **Policy on Disclosures & Internal procedure for prevention of Insider Trading**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public offer.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.



## Management Organization Structure



### Terms & Abbreviations

CMD	- Chairman and Managing Director
WTD	- Whole Time Director
R&D	- Research and Development Manager
CFO	- Chief Financial Officer
CS & CO	- Company Secretary and Compliance Officer
HR	- Head Human Resource
OH	- Operations Head

## Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience (Approx)
Mr. Manish Kumar Shukla	Company Secretary and Compliance Officer	August 02, 2018	Nil	<ul style="list-style-type: none"> <li>• C.S.</li> <li>• B. Com</li> </ul>	<ul style="list-style-type: none"> <li>• P. S. Rao and Associates</li> </ul>	3 Years (Including 1.6 years article ship)
Mr. Akkala Naveen Kumar	Operations Head	May 31, 2017	4.80	<ul style="list-style-type: none"> <li>• B. Sc</li> </ul>	<ul style="list-style-type: none"> <li>• Homeocare International Private Limited.</li> <li>• SSCE Trading Org.</li> <li>• TLC Insurance Company Limited</li> <li>• Indian High School</li> </ul>	14 Years
Mr. Gopu Krishna Murthy	Research and Development Manager <sup>(1)</sup>	June 16, 2014	8.07	<ul style="list-style-type: none"> <li>• M.D. Homoeopathy</li> </ul>	<ul style="list-style-type: none"> <li>• Star Health Science</li> <li>• Homeocare International Private Limited.</li> </ul>	10 years
Mr. Satyavarapu Syamasundara Rao	Chief Financial Officer <sup>(2)</sup>	June 16, 2014	4.65	<ul style="list-style-type: none"> <li>• B. Com.</li> </ul>	<ul style="list-style-type: none"> <li>• Star Health Science</li> <li>• Homeocare International Private Limited.</li> </ul>	13 Years
Mrs. Arrk Kalyani	Head Human Resource <sup>(3)</sup>	June 16, 2014	2.68	<ul style="list-style-type: none"> <li>• B. Com</li> </ul>	<ul style="list-style-type: none"> <li>• Star Health Science</li> <li>• Homeocare International Private Limited.</li> <li>• Aurobindo Junior College</li> </ul>	12 years

(1) Mr. Gopu Krishna Murthy was initially appointed as Research and Development Executive and his designation was changed to Research and Development Manager from August 02, 2018

(2) Mr. Satyavarapu Syamasundara Rao was initially appointed as General Manager Accounts and his designation was changed to Chief Financial Officer from August 02, 2018

(3) Mrs. Arrk Kalyani was initially appointed as Human Resource Manager and his designation was changed to Head Human Resource from August 02, 2018

### Other Notes –

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

### Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's are related to each other, Also, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

## Shareholding of Key Managerial Personnel

None of the KMP in our Company holds any shares of our Company as on the date of this Draft Prospectus except as mentioned below:

- Mr. Satyavarapu Syamasundara Rao holds 1,30,000 shares of our Company.

## Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

## Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

## Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

## Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP / ESPS scheme for employees.

## Payment or Benefit to our Officers

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

## Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Draft Prospectus:

Name of Employee	Designation & Functional Area	Date of Appointment
Mr. Manish Kumar Shukla	Company Secretary and Compliance Officer	August 02, 2018
Mr. Akkala Naveen Kumar	Operations Head	May 31, 2017
Mr. Gopu Krishna Murthy	Research and Development Manager <sup>(1)</sup>	June 16, 2014
Mr. Satyavarapu Syamasundara Rao	Chief Financial Officer <sup>(2)</sup>	June 16, 2014
Mrs. Arrk Kalyani	Head Human Resource <sup>(3)</sup>	June 16, 2014

(1) Mr. Gopu Krishna Murthy was initially appointed as Research and Development Executive and his designation was changed to Research and Development Head from August 02, 2018

(2) Mr. Satyavarapu Syamasundara Rao was initially appointed as General Manager Accounts and his designation was changed to Chief Financial Officer from August 02, 2018



(3) Mrs. Arrk Kalyani was initially appointed as Human Resource Manager and his designation was changed to Head Human Resource from August 02, 2018

## OUR PROMOTERS, PROMOTER GROUP


### The Promoters of our Company are:

1. Dr. Amda Ramakrishna
2. Mrs. Ratnamala Kandula
3. Dr. Srinivasa Gupta Kandula
4. Mr. Satyavarapu Syamasundara Rao
5. Mr. Satyavarapu Venkatesh


The details of our Individual Promoters are provided below:

Dr. Amda Ramakrishna	
	Dr. Amda Ramakrishna, aged 48 years is the Chairman and Managing Director of our Company. He has completed his Post Graduation in Homeopathy from Hahnemann College of Homeopathy and Bachelor of Homeopathic Medicine and Surgery from Gulbarga University. He has more than two decade year of vast experience in Homeopathic Industry. He has worked with Dr. Bhatra's Homeopathy as Senior Homeopathic Consultant and also worked as partner in Homeocare International. He has implemented his immense knowledge for the growth and development of our Company.
<b>Residential Address</b>	H-No-1-9-306 Achutha Reddy Marg, Vidya Nagar, Hyderabad, Andhra Pradesh – 500 044.
<b>PAN</b>	AHQPR9757A
<b>Passport No</b>	S3401245
<b>Driver's License No.</b>	NA
<b>Voter's ID No.</b>	RXA0135830
<b>Bank A/c No.</b>	02181930011438
<b>Name of Bank &amp; Branch:</b>	HDFC Bank Dilsukhnagar Branch, Hyderabad
<b>Other Interests</b>	<ul style="list-style-type: none"> <li>Star Fertility Private Limited</li> <li>Star Ayurveda &amp; Homeopathi Private Limited<sup>(1)</sup></li> </ul>
Mrs. Ratnamala Kandula	
	Mrs. Rantamala Kandula, aged 34 years is the Whole Time Director of our Company. She has 4 years of experience in Administration and Operations. She looks after day to day activities of our Company. Since incorporation she has been instrumental in the consistent growth of our Company's performance and implements a robust overall framework for the organization as a whole.
<b>Residential Address</b>	House No.8-5-213/2/1, Sai Krishna Colony, Behind Shirdi Sai Temple, Hasamat Pet, Secunderabad, Bowenpally, Hyderabad, Andhra Pradesh – 500 011
<b>PAN</b>	BXQPK6185C
<b>Passport No</b>	K1837462
<b>Driver's License No.</b>	NA
<b>Voter's ID No.</b>	KGY4177002
<b>Bank A/c No.</b>	13781930002595
<b>Name of Bank &amp; Branch:</b>	HDFC Bank, Bowenpally Branch, Secunderabad
<b>Other Interests</b>	<ul style="list-style-type: none"> <li>Star Fertility Private Limited</li> <li>Star Ayurveda &amp; Homeopathi Private Limited<sup>(1)</sup></li> </ul>


### Dr. Srinivasa Gupta Kandula

	Dr. Srinivasa Gupta Kandula, aged 46, is the promoter of our Company. He has completed his Post Graduation in Homeopathy from Hahnemann College of Homeopathy, M.D. (Homeopathy) from Rajasthan Ayurved University and Bachelor of Homeopathic Medicine and Surgery from Gulbarga University. He has more than two decade of experience in Homeopathic Industry. From last 15 years, he is into personal practice in Amberpet.
<b>Residential Address</b>	House No. 8-5-213/2/1, Sai Krishna Colony, Behind Shirdi Sai Temple, Hasamat Pet, Secunderabad, Bowenpally, Hyderabad, Andhra Pradesh – 500 011
<b>PAN</b>	ADFPK1191A
<b>Passport No</b>	K1837526
<b>Driver's License No.</b>	NA
<b>Voter's ID No.</b>	KGY4176772
<b>Bank A/c No.</b>	13781530003362
<b>Bank Name and Branch</b>	HDFC Bank, Bowenpally Branch, Secunderabad
<b>Other Interests</b>	Nil

### Mr. Satyavarapu Syamasundara Rao

	Mr. Satyavarapu Syamasundara Rao, aged 42 years, is the promoter of our Company. He has completed his Bachelor's in Commerce from Andhra University. He has more than a decade work experience in the field of Finance & Accounts. He has worked with Homeocare International Private Limited and Star Health Science. He has been working with our Company since incorporation as General Manager Accounts and has recently been promoted to Chief Financial Officer. His functional responsibility involves handling the overall financial activity of our Company.
<b>Residential Address</b>	1-9-1113/G/2, Vidya Nagar, Dayanand Nagar, Musheerabad, Hyderabad, Andhra Pradesh – 500 044
<b>PAN</b>	BVIPS3381Q
<b>Passport No</b>	NA
<b>Driver's License No.</b>	DLFAP0118692002
<b>Voter's ID No.</b>	RXA1485136
<b>Bank A/c No.</b>	50100158704568
<b>Name of Bank &amp; Branch:</b>	HDFC Bank Dilsukhnagar Branch, Hyderabad
<b>Other Interests</b>	Nil

### Mr. Venkatesh Satyavarapu

	Mr. Venkatesh Satyavarapu, aged 38 years is one of the promoters of our Company. He has obtained Bachelor's of Engineering in Information Science and Engineering from Bangalore College of Engineering & Technology. He has almost 15 years of experience. At present, he is General Manager in Smartsoft India Solutions Private Limited.
<b>Residential Address</b>	H. N. D3, JB Susheela Heights, Spring Field Colony, Near Bajaj Electronics, Petbasheerabad, Jeedimetla, Qutubullapur, Kutbullapur, K.V.Rangareddy, Telangana – 500 055
<b>PAN</b>	BDMPS0444L
<b>Passport No</b>	H9022711
<b>Driver's License No.</b>	DLHAP011318342005
<b>Voter's ID No.</b>	NVT4309283
<b>Bank A/c No.</b>	006901528043
<b>Name of Bank &amp; Branch:</b>	ICICI Bank, Habsiguda Branch, Hyderabad
<b>Other Interests</b>	Nil

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathi Private Limited has applied for striking off the name to the RoC, due to non operation of business.

For details of the build-up of our Promoter shareholding in our Company, please see “Capital Structure –Notes to Capital Structure” on page no.47 of this Draft Prospectus.

### Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoters Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

### Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details on the interest of our promoters in our Company, Please see the chapters titled “Capital Structure”, “Financial Information” and “Our Management” beginning on page nos. 46, 124 and 99 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

For Further details on the related party transaction, to the extent of which our Company is involved, please see “Annexure XXIII - Statement of Related Party Transaction” on page no. 139 of this Draft Prospectus.

### Common Pursuits of Promoters and Group Companies

One of our Group Company, Star Fertility Private Limited have been authorised by their respectively Memorandum of Associations to undertake activities which are similar to ours and are currently engaged in business similar to ours this may result in potential conflict of interest with our Company in the future.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

### Companies with which the Promoters has disassociated in the last three years

Except as mentioned below, our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of the Draft Prospectus:

Sr. No.	Name of the Promoters	Name of the Company	Remarks/ Reason
1	Dr. Amda Ramakrishna	Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>	Striking Off
2	Mrs. Ratnamala Kandula	Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>	Striking Off

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathi Private Limited has applied for striking off the name to the RoC, due to non operation of business.



### **Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years**

Except as stated in “Annexure XXIII – Statement of Related Party Transactions” under the chapter “Financial Statements” on page no. 139 of this Draft Prospectus, there has been no other payment of benefits to our Promoters during the two years preceding the date of this Draft Prospectus.

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of her shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that she does not has any interest in any property acquired by our Company within two years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus. For details, please see “Properties” and “Annexure XXIII - Related Party Transactions” on page nos. 86 and 139 respectively, of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “Our Business” on page no. 74 of this Draft Prospectus our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our promoters may be interested in rent being paid by our Company to certain relatives who own these premises being occupied by the Company. For further details please see “Our Business” and “Financial Information” beginning on page nos. 74 and 124 of this Draft Prospectus.

### **Interest of Promoters in our Company other than as Promoters**

Other than as Promoters, our Promoter is interested in our Company to the extent of her shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “Our Management” and “Capital Structure” beginning on page nos. 99 and 46 respectively of this Draft Prospectus.

Except as mentioned in this section and the chapters titled “Capital Structure”, “Our Business”, “History and Certain Corporate matters” and “Annexure XXIII – Statement of Related Party Transactions” on page nos. 46, 74, 95 and 139 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as promoters.

### **Related Party Transactions**

Except as stated in the “Annexure XXIII – Statement of Related Party Transactions” on page no. 139 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters.

### **Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled “Capital Structure – Notes to Capital Structure” beginning on page no. 47 of this Draft Prospectus.

### **Other Confirmations**

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters is interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXIII – Statement of Related Party Transactions” on page no. 139 of this Draft Prospectus.

### **Outstanding Litigation**

There is no outstanding litigation against our Promoters except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigation and Material Developments” beginning on page nos. 10 and 152 of this Draft Prospectus.

## OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2(1)(zb)(ii) of the SEBI (ICDR) Regulation, 2009.

### A. Natural Persons who are Part of the Promoter Group

Name of the Promoter	Name of the Relative	Relationship with the Promoter
<b>Dr. Amda Ramakrishna</b>	A Shankaraiah	Father
	A Shyamala	Mother
	A Bhavani	Wife
	A Vishwanatham	Brother(s)
	A Manik Prabhu	
	A Shyamala	Daughter
	A Nageshwar Rao	Wife's Father
	A Padma	Wife's Mother
	A Srikanth	Wife's Brother

Name of the Promoter	Name of the Relative	Relationship with the Promoter
<b>Mrs. Ratnamala Kandula</b>	S Yerakayya Sreshti	Father
	S Lakshmi	Mother
	Srinivasa Gupta Kandula	Husband
	S Venkatesh	Brother(s)
	V Narasinga Rao Kandula	Husband 's Father
	Manikyam Kandula	Husband 's Mother
	Lakshman Rao Kandula	Husband's Brother
	Satyavarapu Mani	Husband's Sister(s)

Name of the Promoter	Name of the Relative	Relationship with the Promoter
<b>Dr. Srinivasa Gupta Kandula</b>	V Narasinga Rao Kandula	Father
	Manikyam Kandula	Mother
	Ratnamala Kandula	Wife
	Laskhman Rao Kandula	Brother(s)
	Satyavarapu Mani	Sister
	S Yerakayya Sreshti	Wife's Father
	S Lakshmi	Wife's Mother
	S Venaktesh	Wife's Brother

Name of the Promoter	Name of the Relative	Relationship with the Promoter
<b>Mr. Satyavarapu Syamasundara Rao</b>	S Guru Murthy	Father
	S Rama Lakshmi	Mother
	S Sandhya	Wife
	S Narasinga Rao	Brother(s)
	V Krishna Veni	Sister(s)
	P Saradha	
	K Rama Devi	
	S Sricharan	Son(s)
	S Aarush	
	CH Venkata Arjun Rao	Wife's Father
	CH Naga Mani	Wife's Mother
	D Swarna Latha	Wife's Sister(s)
	V Swathi	

Name of the Promoter	Name of the Relative	Relationship with the Promoter
<b>Mr. Satyavarapu Venkatesh</b>	S Yerakayya Sreshti	Father
	S Lakshmi	Mother
	Poornima Satyavarapu	Wife
	Ratnamala Kandula	Sister(s)
	Tanmayee Sahasra Satyavarapu	Daughter
	Karumuri Prabhakar	Wife's Father
	Karumari Padmavathi	Wife's Mother
	G Jaya Sudha	Wife's Sister(s)

**B. Companies / Corporate Entities forming part of the Promoter Group**

As per Regulation 2(1)(zb)(iv) of the SEBI (ICDR) Regulations, 2009, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1	Star Fertility Private Limited
2	Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathi Private Limited has applied for striking off the name to the RoC, due to non operation of business.

## OUR GROUP COMPANIES

The definition of ‘Group Companies’ was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board.

Pursuant to a Board resolution dated August 27, 2018, the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that all companies which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Financial Statements and Companies considered by the board as material, are identified as group entities. Accordingly, in addition to our Promoter Group, as specified under the section “*Our Promoters and Promoter Group*” on page no. 111 of this Draft Prospectus, the following companies have been identified as a Group Companies.

1. Star Fertility Private Limited (“SFPL”)
2. Star Ayurveda and Homeopathi Private Limited<sup>(1)</sup> (“SAHPL”)

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathi Private Limited has applied for striking off the name to the RoC, due to non operation of business.

Further, our Board has approved that other than Star Fertility Private Limited and Star Ayurveda and Homeopathi Private Limited, there are no other companies which are considered material by the Board to be identified as a group companies.

## FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

### I. STAR FERTILITY PRIVATE LIMITED (“SFPL”)

#### ***Corporate Information:***

Star Fertility Private Limited was incorporated on December 12, 2014 under the Companies Act, 2013 with the Registrar of Companies, Hyderabad bearing Registration No. 096821. Its registered office is situated at H. No. 3-1-252 & 253 C&D, Above Vijaya Bank, S. D. Road, Hyderabad – 500 003. The Company’s Corporate Identity Number is U74900TG2014PTC096821.

#### ***Main objects***

- To acquire, establish and maintain one or more multi-specialty and super specialty hospitals for the reception and treatment of persons suffering from illness or mental defect or for reception and treatment of persons during convalescence or of persons requiring medicinal attention or rehabilitation, solely for philanthropic purposes and to provide medical relief to the public in all branches of medical sciences by all available means.
- To encourage the discovery of new medical and / or surgical management of diseases and afflictions and to investigate and make known the nature and merits of investigations and findings and research in the said field and to acquire any patent and licenses or other protective devices relating to the results of any discovery, investigations, findings or researches and to acquire any processes upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any product developed, discovered or improved and / or to give licenses for the manufacture of the same to others and either to market the same or to grant licenses to others to market the same on such terms as the society may deem it fit to do.
- To set up hospitals, nursing homes and healthcare centres and provide, encourage, initiate or promote facilities for the discovery, fertility service, improvement or development of new methods of diagnosis, understanding and prevention and treatment of diseases.
- To undertake the business of providing medical facilities including nursing homes, hospitals, consulting homes for medical men and conduct and to carry on experiments and to provide funds for research works and for scholarships, stipend, remuneration and / or other payments or aid to any person or persons engaged in research work, or work connected with or conducive to research and to encourage and to improve knowledge of the persons

who are engaged or likely to be engaged in any medical or related profession so as to make available medical relief to the public at large.

**Board of Directors:**

- Dr. Amda Ramakrishna
- Mr. Konda Murali Ankireddy
- Mrs. Ratnamala Kandula
- Mrs. Chandra Sekhar Jyothi
- Mr. Jamuna Karangula

**Interest of our Promoters**

Our Promoters and Promoters Group hold 40.00% equity shares of this company.

Particulars	No. of Equity Shares of ₹10 each
Authorised Capital	1,00,000
Issued, Subscribed and Paid-up Capital	1,00,000

**Shareholding Pattern:**

Particulars	% of Total Shares
Our Promoters and Promoter Group	40.00%
Others	60.00%
<b>Total</b>	<b>100.00%</b>

**Financial Information:**

The brief financial details of SFPL derived from its audited financial statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31		
		2017	2016	2015
1	Equity Shares	1.00	1.00	1.00
2	Reserves and Surplus	35.05	16.42	(0.47)
3	Share Application Pending Allotment	-	-	-
4	Net Worth	36.05	17.42	0.53
5	Income including Other Income	688.33	499.69	-
6	Profit/ (Loss) After Tax	18.64	16.89	-0.47
7	Earnings Per Share	186.36	168.89	-4.70
8	Net Asset Value per Share	360.54	174.18	5.30

**Other disclosures:**

- The equity shares of SFPL are not listed on any stock exchange;
- SFPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further, SFPL does not have a negative net-worth in the immediately preceding year
- No application has been made to RoC for striking off the name of SFPL;
- SFPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialled for economic offences against the Company.

## II. STAR AYURVEDA & HOMEOPATHI PRIVATE LIMITED<sup>(1)</sup> (“SAHPL”)

### Corporate Information:

Star Ayurveda & Homeopathi Private Limited was incorporated on December 12, 2014 under the Companies Act, 2013 with the Registrar of Companies, Hyderabad bearing Registration No. 096822. Its registered office is situated at H. No. 3-1-252 & 253 C&D, Above Vijaya Bank, S. D. Road, Hyderabad – 500 003. The Company’s Corporate Identity Number is U74900TG2014PTC096822.

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathi Private Limited has applied for striking off the name to the RoC, due to non operation of business.

### Main objects

- To acquire, establish and maintain one or more hospitals for the reception and treatment of persons suffering from illness or mental defect or for reception and treatment of persons during convalescence or of persons requiring medicinal attention or rehabilitation, solely for philanthropic purposes and not for purposes of profit and to provide medical relief to the public in all branches of medical sciences by all available means.
- To set up Homeopathic clinics, Ayurveda clinics, healthcare centers and provide, encourage, initiate or promote facilities for the discovery, improvement or development of new methods of diagnosis, understanding and prevention and treatment of diseases.
- To encourage the discovery of new medical and / or surgical management of diseases and afflictions and to investigate and make known the nature and merits of investigations and findings and research in the said field and to acquire any patent and licenses or other protective devices relating to the results of any discovery, investigations, findings or researches and to acquire any processes upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any product developed, discovered or improved and / or to give licenses for the manufacture of the same to others and either to market the same or to grant licenses to others to market the same on such terms as the society may deem it fit to do.
- To manufacturing homeopathy and ayurvedic medicines and sale. to undertake the business of providing medical facilities including nursing homes, hospitals, and diagnostics consulting homes for medical men and conduct and to carry on experiments and to provide funds for research works and for scholarships, stipend, remuneration and / or other payments or aid to any person or persons engaged in research work, or work connected with or conducive to research and to encourage and to improve knowledge of the persons who are engaged or likely to be engaged in any medical or related profession so as to make available medical relief to the public at large.

### Board of Directors:

- Dr. Amda Ramakrishna
- Mr. Konda Murali Ankireddy
- Mrs. Ratnamala Kandula
- Mr. Ravinder Reddy Palle

### Interest of our Promoters

Our Promoters and Promoters Group hold 50.00% equity shares of this company.

Particulars	No. of Equity Shares of ₹10 each
Authorised Capital	1,00,000
Issued, Subscribed and Paid-up Capital	1,00,000

### Shareholding Pattern:

Particulars	No. of Shares
Our Promoter and Promoter Group	50.00%
Others	50.00%
<b>Total</b>	<b>100.00%</b>



### **Financial Information:**

The brief financial details of SAHPL derived from its audited financial statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31		
		2017	2016	2015
1	Equity Shares	1.00	1.00	1.00
2	Reserves and Surplus	(0.59)	(0.53)	(0.47)
3	Share Application Pending Allotment	-	-	-
4	Net Worth	0.41	0.47	0.53
5	Income including Other Income	-	-	-
6	Profit/ (Loss) After Tax	-0.06	-0.06	-0.47
7	Earnings Per Share	-0.59	-0.58	-4.70
8	Net Asset Value per Share	4.13	4.72	5.30

### **Other disclosures:**

- The equity shares of SAHPL are not listed on any stock exchange;
- Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, SAHPL has applied for striking off the name to the RoC, due to non operation of business.
- SAHPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialled for economic offences against the Company.

### **NATURE AND EXTENT OF THE INTEREST OF OUR GROUP COMPANIES IN OUR COMPANY**

#### **In the promotion of our Company**

Our Group Companies does not have any interest in the promotion of our Company.

#### **In the properties acquired by our Company**

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing the Draft Prospectus or proposed to be acquired by our Company.

#### **In transactions for acquisition of land, construction of building and supply of machinery**

Our Group Companies does not have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

#### **Payment of amount or benefits to our Group Company during the last two years**

Except as disclosed in the section “Financial Statements – Annexure XXIII - Related Party Transactions” beginning on page no. 139 of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them

#### **Common Pursuits of our Group Companies**

One of our Group Company, Star Fertility Private Limited have been authorised by their respectively Memorandum of Associations to undertake activities which are similar to ours and are currently engaged in business similar to ours this may result in potential conflict of interest with our Company in the future.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict situation as and when they arise

### **Related business transactions within the Group Companies and its significance on the financial performance of our Company**

For details, please see the chapter titled “*Financial Statements- Annexure XXIII - Related Party Transactions*” on page no. 139 of this Draft Prospectus.

### **Sale/purchase between our Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)**

For details, please see the chapter titled “*Financial Statements- Annexure XXIII Related Party Transactions*” on page no. 139 of this Draft Prospectus.

### **Business interest of Group Companies in our Company**

For details, please see the chapter titled “*Financial Statements- Annexure XXIII - Statement of Related Party Transactions*” on page no. 139 of this Draft Prospectus

### **Defunct Group Companies**

Expect Star Ayurveda & Homeopathi Private Limited has applied for striking off the name to the RoC dated March 26, 2018, due to non operation of business, no other Group Companies had made any application to the Registrar of Companies for striking off the name during the five years preceding the date of the Draft Prospectus

### **Outstanding Litigations**

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 152 of this Draft Prospectus.

### **Other Confirmations**

Our Group Companies has further confirmed that it has not been declared as wilful defaulter and there have been no violations of securities laws committed by it in the past and no proceedings pertaining to such penalties are pending against it except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 10, 117 and 152 of this Draft Prospectus, respectively. Additionally, our Group Companies has not been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 10, 117 and 152 of this Draft Prospectus, respectively.

## **CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES**

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION VI – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

To,  
The Board of Directors,  
Star Health Sciences India Ltd,  
H. No. 1–2-271/3F/A, Third Floor,  
Sree Arcade, Sarojini Devi Road,  
Secunderabad, Telangana – 500 003

Dear Sirs,

#### Re.: Proposed Public Issue of Equity Shares of Star Health Sciences India Ltd

1. We have examined Restated Financial Statements and Other Financial Information of **Star Health Sciences India Ltd** (the 'Company') formerly known as **Star Health Sciences India Private Ltd.**, taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with the proposed IPO of the Company and the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.
2. The said Restated Financial Statements and other Financial Information have been prepared for the purposes of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:
  - i. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (hereinafter referred to as the "Act");
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI'); as amended to date;
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the financial years ended on March 31, 2018, 2017, 2016, 2015 and 2014 and the 'Restated Statement of Assets and Liabilities' (**Annexure – I**) as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company's management. The information has been extracted from the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014. The Financial Statements for the Financial Year ended March 31, 2018 and all previous year were audited by us.
4. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of **Star Health Sciences India Ltd**, we, Ramasamy Koteswara Rao & Co. LLP, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
5. Based on our examination, we further report that:
  - a. The Restated Statement of Assets and Liabilities of the Company financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in **Annexure I** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
  - b. The Restated Statement of Profit and Loss of the Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Statement of Adjustments to the audited financial statements in **Annexure V**.

- c. The Restated Statement of Cash Flows of the Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in **Annexure III** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
- d. The Restated Financial Statements have been made after incorporating adjustments for:
  - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
  - ii. Prior period and other material amounts, if any, in the respective financial years to which they relate.

Which are stated in the Notes to Accounts as set out in **Annexure V**:

- e. Such Financial statements do not require any corrective adjustments on account of:
  - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.
  - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
6. At the request of the company, we have also examined the following financial information("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
  - i) Schedule of Share Capital (Annexure - VI)
  - ii) Schedule of Reserves & Surplus (Annexure - VII)
  - iii) Schedule of Long Term Borrowings (Annexure – VIII)
  - iv) Schedule of Trade Payables (Annexure – IX)
  - v) Schedule of Other Current Liability (Annexure – X)
  - vi) Schedule of Deferred Tax Liability (Annexure – XI)
  - vii) Schedule of Short Term Provisions (Annexure – XII)
  - viii) Schedule of Long Term Provisions (Annexure – XIII)
  - ix) Schedule of Inventories (Annexure – XIV)
  - x) Schedule of Cash and Cash Equivalents (Annexure – XV)
  - xi) Schedule of Fixed Assets (Annexure - XVI)
  - xii) Schedule of Short Term Loans and Advances (Annexure – XVII)
  - xiii) Schedule of Other Current Assets (Annexure – XVIII)
  - xiv) Schedule of Revenue from Operations (Annexure – XIX)
  - xv) Schedule of Cost of Material Consumed (Annexure – XX)
  - xvi) Schedule of Employee Benefit Expenses (Annexure – XXI)
  - xvii) Schedule of Dividend Declared (Annexure – XXII)
  - xviii) Schedule of Related Party Transactions (Annexure – XXIII)
  - xix) Capitalization Statement (Annexure – XXIV)
  - xx) Summary of Accounting Ratios (Annexure – XXV)
  - xxi) Statement of Tax Shelter (Annexure – XXVI)

7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXVI read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26, read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.



8. This report should not in any way construed as a re-issuance or re-drafting of any of the previous audit reports issued by the Statutory Auditors nor should this report be construed as a new opinion on any of the financial statement referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Ramasamy Koteswara Rao & Co. LLP**  
**Firm Registration No:** 010396S/ S200084

C V Koteswara Rao  
**Membership No:** 028353  
**Place:** Hyderabad  
**Date:** August 27, 2018

**ANNEXURE I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Shareholders' Funds</b>					
Share Capital	1.00	1.00	1.00	1.00	1.00
Reserves and Surplus	100.78	30.42	26.10	13.12	(0.46)
<b>Total</b>	<b>101.78</b>	<b>31.42</b>	<b>27.10</b>	<b>14.12</b>	<b>0.54</b>
<b>Non Current Liabilities</b>					
Long Term Borrowings	14.35	-	33.63	-	-
Long Term Provisions	6.85	-	-	-	-
Deferred Tax Liabilities (Net)	-	1.48	7.81	6.08	-
<b>Total</b>	<b>21.20</b>	<b>1.48</b>	<b>41.44</b>	<b>6.08</b>	<b>-</b>
<b>Current Liabilities</b>					
Short Term Borrowings	-	-	-	-	-
Trade Payables	358.29	374.72	314.54	292.03	-
Other Current Liabilities	92.10	80.33	191.99	148.29	0.08
Short Term Provisions	11.57	8.94	4.09	3.75	-
<b>Total</b>	<b>461.96</b>	<b>463.98</b>	<b>510.63</b>	<b>444.07</b>	<b>0.08</b>
<b>TOTAL</b>	<b>584.93</b>	<b>496.88</b>	<b>579.17</b>	<b>464.27</b>	<b>0.63</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	80.67	96.58	117.77	127.55	-
Intangible Assets	397.86	308.08	319.42	220.30	-
Deferred Tax Asset	17.01	-	-	-	-
<b>Total</b>	<b>495.54</b>	<b>404.66</b>	<b>437.20</b>	<b>347.85</b>	<b>-</b>
<b>Current Assets</b>					
Inventories	6.69	8.00	37.23	24.40	-
Cash and Bank Balances	4.80	0.49	6.04	6.94	0.63
Short Term Loans and Advances	75.47	82.46	97.07	84.00	-
Other Current Assets	2.42	1.27	1.63	1.07	-
<b>Total</b>	<b>89.39</b>	<b>92.22</b>	<b>141.97</b>	<b>116.42</b>	<b>0.63</b>
<b>TOTAL</b>	<b>584.93</b>	<b>496.88</b>	<b>579.17</b>	<b>464.27</b>	<b>0.63</b>

**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>INCOME</b>					
Revenue from Operations	1,702.21	1,849.84	1,941.90	1,844.92	-
<b>Total Revenue (I)</b>	<b>1,702.21</b>	<b>1,849.84</b>	<b>1,941.90</b>	<b>1,844.92</b>	<b>-</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	127.46	142.25	128.76	134.69	-
Employee Benefits Expenses	571.58	529.79	525.38	591.90	-
Finance Cost	10.16	10.85	2.01	-	-
Depreciation and Amortisation	90.58	138.47	116.74	74.89	-
Other Expenses	843.19	1,018.30	1,150.21	1,023.79	0.46
<b>Total Expenses (II)</b>	<b>1,642.97</b>	<b>1,839.68</b>	<b>1,923.10</b>	<b>1,825.27</b>	<b>0.46</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>59.24</b>	<b>10.16</b>	<b>18.80</b>	<b>19.66</b>	<b>(0.46)</b>
Exceptional items	-	-	-	-	-
<b>Profit Before Tax</b>	<b>59.24</b>	<b>10.16</b>	<b>18.80</b>	<b>19.66</b>	<b>(0.46)</b>
<b>Tax Expense</b>					
Current Tax	11.29	12.17	4.09	3.75	-
Minimum Alternate Tax credit	(3.91)	0.00	-	(3.75)	-
Deferred Tax Charge (Credit)	(18.49)	(6.33)	1.73	6.08	-
<b>Total Tax Expense /(Credit)</b>	<b>(11.11)</b>	<b>5.84</b>	<b>5.82</b>	<b>6.08</b>	<b>-</b>
<b>Profit for the year</b>	<b>70.35</b>	<b>4.32</b>	<b>12.98</b>	<b>13.58</b>	<b>(0.46)</b>

**ANNEXURE III**  
**CASH FLOW STATEMENT, AS RESTATED**

( ₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Cash Flow From Operating Activities</b>					
<b>Profit Before Tax</b>	59.24	10.16	18.80	19.66	(0.46)
Adjustments for:					
Depreciation and Amortisation	90.58	138.47	116.74	74.89	-
Loss on sale of asset	-	-	-	6.19	-
Interest expense	10.16	10.85	2.01	-	-
<b>Operating profit Before working capital changes</b>	<b>159.98</b>	<b>159.49</b>	<b>137.55</b>	<b>100.74</b>	<b>(0.46)</b>
<b>Movement In Working Capital:</b>					
Increase in Inventories	1.31	29.23	(12.83)	(24.40)	-
Increase in Trade Receivables	-	-	-	-	-
Increase in Short Term Loans and Advances	10.90	14.61	(13.07)	(80.26)	-
Increase in Other Current Assets	(1.16)	0.36	(0.56)	(1.07)	-
Decrease in other Long Term Liabilities	-	-	-	-	-
Increase in Trade Payables	(16.43)	60.18	22.51	292.03	-
Increase / (Decrease) in Other Current Liabilities	11.77	(111.67)	43.70	148.21	0.08
Increase / (Decrease) in Long term Provisions	6.84				
Increase / (Decrease) in Short term Provisions	0.28	(3.24)	-	-	-
<b>Cash Generated From Operations</b>	<b>173.50</b>	<b>148.97</b>	<b>177.30</b>	<b>435.25</b>	<b>(0.37)</b>
Direct Tax Paid	(8.94)	(4.09)	(3.75)	-	-
<b>Net Cash Flow Operating Activities (A)</b>	<b>164.57</b>	<b>144.88</b>	<b>173.56</b>	<b>435.25</b>	<b>(0.37)</b>
<b>Cash Flow used In Investing Activities</b>					
Purchase of Fixed Assets, Including Intangible assets	(164.45)	(105.94)	(206.08)	(431.38)	-
Proceeds from Sales of Fixed Assets	-	-	-	2.44	-
<b>Net Cash Flow Used In Investing Activities (B)</b>	<b>(164.45)</b>	<b>(105.94)</b>	<b>(206.08)</b>	<b>(428.94)</b>	<b>-</b>
<b>Cash Flow From Financing Activities</b>					
Proceeds from Issued of Equity Shares	-	-	-	-	1.00
Proceeds from Long - Term Borrowings	14.35	(33.63)	33.63	-	-
Interest Paid	(10.16)	(10.85)	(2.01)	-	-
<b>Net Cash Flow From Financing Activities (C)</b>	<b>4.19</b>	<b>(44.49)</b>	<b>31.62</b>	<b>-</b>	<b>1.00</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>4.31</b>	<b>(5.55)</b>	<b>(0.90)</b>	<b>6.32</b>	<b>0.63</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>0.49</b>	<b>6.04</b>	<b>6.94</b>	<b>0.63</b>	<b>-</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>4.80</b>	<b>0.49</b>	<b>6.04</b>	<b>6.94</b>	<b>0.63</b>

Cash & Cash Equivalents comprises of:

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Components of Cash and Cash Equivalents</b>					
Cash on hand	5.91	4.05	3.97	2.82	0.63
Balance with banks	(1.11)	(3.56)	2.07	4.12	-
<b>Total Cash and Cash Equivalents at the end of the year</b>	<b>4.80</b>	<b>0.49</b>	<b>6.04</b>	<b>6.94</b>	<b>0.63</b>

Note: The cash flow statement has been prepared on the basis of restated statement of Profit & Loss and Balance Sheet.

## **ANNEXURE IV SIGNIFICANT ACCOUNTING POLICIES**

### **(A) BASIS OF ACCOUNTING**

The Financial Statement have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, applicable accounting standards excepts otherwise stated and the provisions of the Companies Act, 2013 as adopted consistently by the Company. The Company generally follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

### **(B) USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and 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 DEPRECIATION**

Fixed assets are stated at cost inclusive of value added tax less accumulated depreciation and impairment loss, if any.. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on fixed assets is provided on straight line method using the life of assets based on the useful lives provided by the Schedule II of Companies Act 2013. The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed. Estimated useful lives are periodically reviewed and, when appropriate, changes are made prospectively.

### **(D) INVENTORIES:**

Inventories have been valued at lower of cost or net realizable value. Cost in respect of purchased materials & finished goods consists of purchase price including freight inward, brokerage and other expenditure directly attributable to the acquisition.

### **(E) IMPAIRMENT OF ASSETS**

The carrying amount of assets is reviewed at each Balance-sheet date if there is an indication of impairment based on the internal and external factors. An impairment loss if any is charged to Statement of Profit & Loss in the year in which the amount is identified as impaired. There are no assets which can be termed is impaired asset during the year.

### **(F) TAXES ON INCOME:**

**Current Tax:** Provision for current income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the specific applicable laws.

**Deferred Tax:** Deferred tax is measured on based on the tax rate and tax laws enacted or substantially enacted at the balance date. Deferred tax assets are recognized only if there is reasonable/virtual certainty that they will be realized.

### **(G) PROVISION & CONTINGENCIES:**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to present value and are determine on best estimate require to settle the obligation at the Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not



recognized and disclosed by way of notes to accounts. There are no Contingent Liabilities in any of the Financial Statements of the Company for the financial year ended March 31, 2014, 2015, 2016, 2017 and 2018.

#### (H) EARNING PER SHARE

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(I) There are no Auditor's Qualifications in any of the Financial Statements of the Company for the financial year ended March 31, 2014, 2015, 2016, 2017 and 2018.

(J) The Company is in compliant with all the Accounting Standards / Disclosures requirements as issued by Institute of Chartered Accountants till date.

#### ANNEXURE V NOTES TO ACCOUNTS

##### 1. Managerial Remuneration

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Directors' Remuneration</b>					
Salaries and Allowances	-	-	-	-	-

##### 2. Remuneration to Auditors

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Audit Fees	2.02	1.77	1.71	1.02	0.08

3. There are no Micro, Small and Medium Enterprises to whom the company owes dues which are outstanding for more than 45 days during the period. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

#### ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

##### Adjustments having impact on profit

No Changes have been done, which impact the Profit and Loss of the company.

##### Adjustments not having impact on profit

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**ANNEXURE VI**  
**SCHEDULE OF SHARE CAPITAL, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Equity Share Capital</b>					
<b>Authorized Share capital</b>					
Equity shares of ₹ 10 each	1.00	1.00	1.00	1.00	1.00
<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>					
Equity share of ₹ 10 each fully paid up	1.00	1.00	1.00	1.00	1.00
<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**Reconciliation of number of shares outstanding:**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Equity Shares</b>					
Equity shares at the beginning of the year of ₹ 10 each	10,000	10,000	10,000	10,000	-
Additions	-	-	-	-	10,000
<b>Equity Shares at the end of the year</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

**ANNEXURE VII**  
**SCHEDULE OF RESERVES AND SURPLUS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Reserves and Surplus</b>					
Opening balance	30.42	26.10	13.12	(0.46)	-
Net Profit/(Net Loss) For the current year	70.35	4.32	12.98	13.58	(0.46)
<b>Closing balance</b>	<b>100.78</b>	<b>30.42</b>	<b>26.10</b>	<b>13.12</b>	<b>(0.46)</b>

**ANNEXURE VIII**  
**SCHEDULE OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
HDFC bank	14.35	-	-	-	-
Magma Fincorp Limited	-	-	9.99	-	-
Religare Finvest Limited	-	-	13.37	-	-
Tata Capital Fincorp Limited	-	-	10.28	-	-
Tata Capital Financial Services Limited	-	-	-	-	-
<b>Total</b>	<b>14.35</b>	<b>-</b>	<b>33.63</b>	<b>-</b>	<b>-</b>

**The above amounts in Annexure VIII are computed as below:**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Secured Borrowing	-	-	-	-	-
Unsecured Borrowing	39.02	33.64	72.15	-	-
<b>Less: Current Maturity of long term borrowing as given in Other Current Liability</b>	<b>24.67</b>	<b>33.64</b>	<b>38.52</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>14.35</b>	<b>-</b>	<b>33.63</b>	<b>-</b>	<b>-</b>

**Note:** For details of the Terms of Sanction, Maturity and other details of outstanding loans please refer Annexure I - “Financial Indebtedness” attached along with this Restated Financials.

**ANNEXURE IX  
SCHEDULE OF TRADE PAYABLE, AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Trade Payables for Purchase of Medicines	93.47	79.41	68.60	39.17	-
Other Trade Payables	264.82	295.31	245.94	252.86	-
<b>Total</b>	<b>358.29</b>	<b>374.72</b>	<b>314.54</b>	<b>292.03</b>	<b>-</b>

**ANNEXURE X  
SCHEDULE OF OTHER CURRENT LIABILITIES AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Audit fee Payable	5.23	3.45	1.83	1.46	0.08
Rent Payable	13.56	10.99	14.94	9.39	-
Duties and Taxes Payable	33.65	14.14	3.05	5.10	-
Advances Received from Patients	-	-	133.66	132.34	-
Staff Salaries Payable	14.99	18.11	-	-	-
<b>Current Maturities of Long Term Borrowings:</b>					
HDFC Loan	11.46	-	-	-	-
Tata Capital Financial Services Limited	13.21	-	-	-	-
Magma Fincorp Limited	-	9.99	12.12	-	-
Religare Finvest Limited	-	13.37	14.11	-	-
Tata Capital Fincorp Limited	-	10.28	12.29	-	-
<b>Total</b>	<b>92.10</b>	<b>80.33</b>	<b>191.99</b>	<b>148.29</b>	<b>0.08</b>

**ANNEXURE XI  
SCHEDULE OF DEFERRED TAX LIABILITY, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Opening Balance	1.48	7.81	6.08	-	-
Add: Addition during the year/(Reversed) during the year	(18.49)	(6.33)	1.73	6.08	-
<b>Total</b>	<b>(17.01)</b>	<b>1.48</b>	<b>7.81</b>	<b>6.08</b>	<b>-</b>

**ANNEXURE XII  
SCHEDULE OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provision for Gratuity	0.28	-	-	-	-
Provision for Taxation	11.29	12.17	4.09	3.75	-
(Less) MAT Credit Entitlement	-	(3.24)	-	-	-
<b>Total</b>	<b>11.57</b>	<b>8.94</b>	<b>4.09</b>	<b>3.75</b>	<b>-</b>

**ANNEXURE XIII  
SCHEDULE OF LONG TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provision for Gratuity	6.84	-	-	-	-
<b>Total</b>	<b>6.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE XIV**  
**SCHEDULE OF INVENTORIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Ayurveds Medicines & Bottles	4.94	6.00	8.52	9.03	-
Homeopathy Medicines	1.76	2.00	4.31	4.41	-
Stock of Medicines	-	-	24.40	10.97	-
<b>Total</b>	<b>6.69</b>	<b>8.00</b>	<b>37.23</b>	<b>24.40</b>	<b>-</b>

**ANNEXURE XV**  
**SCHEDULE OF CASH AND CASH EQUIVALENTS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Cash and Cash Equivalents</b>					
Cash on Hand	5.91	4.05	3.97	2.82	0.63
Balances with Banks	(1.57)	4.57	4.88	4.12	-
PDC & CDC Cheques in Ayurveda	(3.42)	(5.69)	(2.46)	-	-
PDC & CDC Cheques in Homeo	3.88	(2.44)	(0.34)	-	-
<b>Total</b>	<b>4.80</b>	<b>0.49</b>	<b>6.04</b>	<b>6.94</b>	<b>0.63</b>

**ANNEXURE XVI**  
**SCHEDULE OF FIXED ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Air Conditioner</b>					
Opening Balance	4.06	4.06	1.74	-	-
Addition during the year	-	-	2.32	1.74	-
Depreciation during the year	0.77	0.77	0.35	0.33	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	1.45	0.68	0.33	-	-
<b>Closing Balance</b>	<b>1.84</b>	<b>2.61</b>	<b>3.39</b>	<b>1.41</b>	<b>-</b>
<b>Computer &amp; Software</b>					
Opening Balance	18.73	18.13	18.13	-	-
Addition during the year	0.15	0.59	-	18.13	-
Depreciation during the year	0.89	5.48	6.15	4.93	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	16.56	11.08	4.93	-	-
<b>Closing Balance</b>	<b>1.43</b>	<b>2.17</b>	<b>7.05</b>	<b>13.20</b>	<b>-</b>
<b>Computer</b>					
Opening Balance	11.69	11.62	11.12	-	-
Addition during the year	-	0.07	0.50	11.12	-
Depreciation during the year	0.74	3.47	3.88	2.82	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	10.18	6.71	2.82	-	-
<b>Closing Balance</b>	<b>0.77</b>	<b>1.51</b>	<b>4.92</b>	<b>8.30</b>	<b>-</b>
<b>Electrical Equipments</b>					
Opening Balance	4.37	2.57	1.19	-	-
Addition during the year	-	1.81	1.37	1.19187	-
Depreciation during the year	0.41	0.34	0.17	0.03	-
Reduction during the year	-	-	-	-	-

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Opening Accumulated Depreciation	0.55	0.21	0.03	-	-
<b>Closing Balance</b>	<b>3.41</b>	<b>3.82</b>	<b>2.36</b>	<b>1.16</b>	<b>-</b>
<b>EPABX</b>					
Opening Balance	0.56	0.40	0.22	-	-
Addition during the year	-	0.16	0.18	0.22	-
Depreciation during the year	0.10	0.08	0.05	0.01	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	0.15	0.06	0.01	-	-
<b>Closing Balance</b>	<b>0.31</b>	<b>0.41</b>	<b>0.34</b>	<b>0.21</b>	<b>-</b>
<b>Fire Extinguishers</b>					
Opening Balance	0.16	0.16	0.16	-	-
Addition during the year	-	-	-	0.16	-
Depreciation during the year	0.03	0.03	0.04	0.01	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	0.08	0.05	0.01	-	-
<b>Closing Balance</b>	<b>0.06</b>	<b>0.09</b>	<b>0.12</b>	<b>0.15</b>	<b>-</b>
<b>Flexi Boards</b>					
Opening Balance	19.80	19.80	14.12	-	-
Addition during the year	-	-	5.69	14.12	-
Depreciation during the year	3.75	3.75	2.98	2.52	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	9.26	5.50	2.52	-	-
<b>Closing Balance</b>	<b>6.79</b>	<b>10.55</b>	<b>14.30</b>	<b>11.59</b>	<b>-</b>
<b>Furniture &amp; Fixtures</b>					
Opening Balance	58.59	58.21	55.64	-	-
Addition during the year	0.20	0.38	2.56	55.64	-
Depreciation during the year	5.56	5.56	5.44	4.85	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	15.85	10.30	4.85	-	-
<b>Closing Balance</b>	<b>37.37</b>	<b>42.74</b>	<b>47.91</b>	<b>50.79</b>	<b>-</b>
<b>Generator</b>					
Opening Balance	9.80	9.80	9.80	-	-
Addition during the year	-	-	-	9.80	-
Depreciation during the year	0.62	0.62	0.62	0.62	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	1.86	1.24	0.62	-	-
<b>Closing Balance</b>	<b>7.32</b>	<b>7.94</b>	<b>8.56</b>	<b>9.18</b>	<b>-</b>
<b>Medical Equipments</b>					
Opening Balance	0.36	0.36	0.36	-	-
Addition during the year	-	-	-	0.36	-
Depreciation during the year	0.03	0.03	0.03	0.01	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	0.07	0.04	0.01	-	-
<b>Closing Balance</b>	<b>0.27</b>	<b>0.29</b>	<b>0.32</b>	<b>0.35</b>	<b>-</b>
<b>Office Equipments</b>					
Opening Balance	9.75	9.68	8.96	-	-
Addition during the year	-	0.07	0.71	8.96	-
Depreciation during the year	1.84	1.78	1.76	1.57	-
Reduction during the year	-	-	-	-	-

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Opening Accumulated Depreciation	5.11	3.33	1.57	-	-
<b>Closing Balance</b>	<b>2.79</b>	<b>4.64</b>	<b>6.35</b>	<b>7.39</b>	<b>-</b>
<b>Plant &amp; Machinery</b>					
Opening Balance	25.22	25.22	25.22	-	-
Addition during the year	-	-	-	34.30	-
Depreciation during the year	1.54	2.32	1.60	2.05	-
Reduction during the year	-	-	-	9.08	-
Depreciation on deletions	-	-	-	0.45	-
Opening Accumulated Depreciation	5.51	3.19	1.60	-	-
<b>Closing Balance</b>	<b>18.16</b>	<b>19.70</b>	<b>22.02</b>	<b>23.62</b>	<b>-</b>
<b>Water Dispenser</b>					
Opening Balance	0.24	0.24	0.24	-	-
Addition during the year	0.08	-	-	0.24	-
Depreciation during the year	0.04	0.04	0.05	0.05	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	0.13	0.09	0.05	-	-
<b>Closing Balance</b>	<b>0.15</b>	<b>0.11</b>	<b>0.15</b>	<b>0.20</b>	<b>-</b>
<b>Goodwill</b>					
Opening Balance	1.00	1.00	1.00	-	-
Addition during the year	-	-	-	1.00	-
Amortisation during the year	0.20	0.20	0.20	0.20	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	0.60	0.40	0.20	-	-
<b>Closing Balance</b>	<b>0.20</b>	<b>0.40</b>	<b>0.60</b>	<b>0.80</b>	<b>-</b>
<b>Goodwill from Ayurveda International</b>					
Opening Balance	3.80	3.80	3.80	-	-
Addition during the year	-	-	-	3.80	-
Depreciation during the year	0.76	0.76	0.76	0.76	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	2.28	1.52	0.76	-	-
<b>Closing Balance</b>	<b>0.76</b>	<b>1.52</b>	<b>2.28</b>	<b>3.04</b>	<b>-</b>
<b>Softwares</b>					
Opening Balance	1.94	1.94	1.94	-	-
Addition during the year	-	-	-	1.94	-
Depreciation during the year	0.39	0.39	0.39	0.39	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	1.16	0.77	0.39	-	-
<b>Closing Balance</b>	<b>0.39</b>	<b>0.77</b>	<b>1.16</b>	<b>1.55</b>	<b>-</b>
<b>Trade Mark</b>					
Opening Balance	0.66	0.66	0.66	-	-
Addition during the year	-	-	-	0.66	-
Depreciation during the year	0.13	0.13	0.13	0.13	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	0.39	0.26	0.13	-	-
<b>Closing Balance</b>	<b>0.13</b>	<b>0.26</b>	<b>0.39</b>	<b>0.53</b>	<b>-</b>
<b>Other Intangible Assets (Ayurveda)</b>					
Opening Balance	170.39	139.54	81.72	-	-
Addition during the year	66.35	30.85	57.82	81.72	-
Depreciation during the year	23.67	34.08	27.91	16.34	-

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	78.33	44.25	16.34	-	-
<b>Closing Balance</b>	<b>134.74</b>	<b>92.06</b>	<b>95.29</b>	<b>65.37</b>	<b>-</b>
<b>Other Intangible Assets (Homeo)</b>					
Opening Balance	393.18	321.19	186.27	-	-
Addition during the year	97.67	71.99	134.92	186.27	-
Depreciation during the year	49.09	78.64	64.24	37.25	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	180.13	101.49	37.25	-	-
<b>Closing Balance</b>	<b>261.64</b>	<b>213.05</b>	<b>219.70</b>	<b>149.01</b>	<b>-</b>
<b>Total Tangible Asstes</b>	<b>163.77</b>	<b>163.34</b>	<b>160.25</b>	<b>146.92</b>	<b>-</b>
<b>Total Intangible Assets</b>	<b>734.99</b>	<b>570.97</b>	<b>468.12</b>	<b>275.38</b>	<b>-</b>
<b>Total Depreciation Charged during the year</b>	<b>16.34</b>	<b>24.28</b>	<b>23.11</b>	<b>19.82</b>	<b>-</b>
<b>Total Amortisation on Intangible Asset during the year</b>	<b>74.24</b>	<b>114.19</b>	<b>93.62</b>	<b>55.08</b>	<b>-</b>
<b>Total accumulated Depreciation on Tangible Assets</b>	<b>66.76</b>	<b>42.48</b>	<b>19.37</b>	<b>-</b>	<b>-</b>
<b>Total accumulated Depreciation on Intangible Assets</b>	<b>262.89</b>	<b>148.70</b>	<b>55.08</b>	<b>-</b>	<b>-</b>
<b>WDV Tangible Asset</b>	<b>80.67</b>	<b>96.58</b>	<b>117.77</b>	<b>127.55</b>	<b>-</b>
<b>WDV Intangible Assets</b>	<b>397.86</b>	<b>308.08</b>	<b>319.42</b>	<b>220.30</b>	<b>-</b>

#### ANNEXURE XVII

#### SCHEDULE OF SHORT TERM LOANS AND ADVANCES, AS RESTATED

( ₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Security Deposit	0.90	0.90	0.90	0.90	-
Rental Deposit	66.04	78.21	87.21	75.92	-
Telephone Deposit	0.15	0.15	0.15	0.01	-
Advance Tax	-	1.00	3.00	2.00	-
Minimum Alternate Tax Credit Entitlement	3.91	-	3.75	3.75	-
Other Loans and Advances	4.47	2.20	2.07	1.43	-
<b>Totals</b>	<b>75.47</b>	<b>82.46</b>	<b>97.07</b>	<b>84.00</b>	<b>-</b>

#### ANNEXURE XVIII

#### SCHEDULE OF OTHER CURRENT ASSETS, AS RESTATED

( ₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Mineral Water Advance	-	0.23	0.23	0.23	-
Advance for Expenses	-	-	0.21	0.21	-
Gas Connection	0.04	0.04	0.04	0.04	-
Other Advances	0.50	0.50	0.50	0.50	-
Other Current Assets	1.50	0.10	0.10	0.10	-
Domain Renewal Prepaid	0.40	0.19	-	-	-
Pre paid Insurance	-	0.22	0.56	-	-
<b>Total</b>	<b>2.42</b>	<b>1.27</b>	<b>1.63</b>	<b>1.07</b>	<b>-</b>



**ANNEXURE IX**  
**SCHEDULE OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Revenue from Operation (Services )	1,702.21	1,849.84	1,941.90	1,844.92	-
<b>Total</b>	<b>1,702.21</b>	<b>1,849.84</b>	<b>1,941.90</b>	<b>1,844.92</b>	<b>-</b>

**ANNEXURE XX**  
**SCHEDULE OF COST OF MATERIAL CONSUMED, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Opening stock of inventories	8.00	37.23	24.40	-	-
Purchase of Medicines during the year	126.15	113.02	141.59	159.09	-
<b>Total</b>	<b>134.16</b>	<b>150.25</b>	<b>165.99</b>	<b>159.09</b>	<b>-</b>
Less: Closing stock of inventories	6.69	8.00	37.23	24.40	-
<b>TOTAL</b>	<b>127.46</b>	<b>142.25</b>	<b>128.76</b>	<b>134.69</b>	<b>-</b>

**ANNEXURE XXI**  
**SCHEDULE OF EMPLOYEE BENEFIT EXPENSES, AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Staff Salaries	492.91	507.52	511.76	511.39	-
Incentives	33.12	-	-	-	-
Other Allowances and Staff Welfare Expenses	45.55	22.27	13.62	80.51	-
<b>Total</b>	<b>571.58</b>	<b>529.79</b>	<b>525.38</b>	<b>591.90</b>	<b>-</b>

**ANNEXURE XXII**  
**SCHEDULE OF DIVIDEND DECLARED, AS RESTATED**

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>On Equity Shares</b>					
Fully Paid up Share Capital (₹ in lakhs)	1.00	1.00	1.00	1.00	1.00
Face Value (₹)	10.00	10.00	10.00	10.00	10.00
Paid up value per share (₹)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	-	-	-	-	-
Total Dividend	-	-	-	-	-
Corporate Dividend tax on above	-	-	-	-	-

**ANNEXURE XXIII**  
**SCHEDULE OF RELATED PARTY TRANSACTIONS, AS RESTATED**

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel

For the year ended March 31,				
2018	2017	2016	2015	2014
Amda Ramakrishna	Amda Ramakrishna	Amda Ramakrishna	Amda Ramakrishna	Amda Ramakrishna
Ratnamala Kandula	Ratnamala Kandula	Ratnamala Kandula	Ratnamala Kandula	Ratnamala Kandula
-	P Ravinder Reddy	P Ravinder Reddy	P Ravinder Reddy	P Ravinder Reddy
-	K Murali Anki Reddy	K Murali Anki Reddy	K Murali Anki Reddy	K Murali Anki Reddy

(ii) Relatives of KMPs

For the year ended March 31,				
2018	2017	2016	2015	2014
-	-	-	A Nageshwar rao	-

(iii) Enterprises over which over which directors and / or their relatives has significant influence:

For the year ended March 31,				
2018	2017	2016	2015	2014
Star Fertility Private Limited	Star Fertility Private Limited	Star Fertility Private Limited	Star Fertility Private Limited	-
Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>	Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>	Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>	Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>	Star Ayurveda & Homeopathi Private Limited <sup>(1)</sup>

<sup>(1)</sup>Pursuant to EGM held on March 15, 2018 and form upload to RoC dated March 26, 2018, Star Ayurveda and Homeopathy Private Limited has applied for striking off the name to the RoC, due to non operation of business.

(iv) Particulars of Transactions with Related Parties

**Key Management Personnel**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>1) Finance</b>					
Loan Taken	-	-	-	-	-
Repayment of Loan	-	-	-	-	-
<b>2) Expenses</b>					
Remuneration	-	-	-	-	-
Interest Paid	-	-	-	-	-
<b>3) Outstanding</b>					
Unsecured Loan	-	-	-	-	-

**Relatives of Key Managerial Personnel**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>1) Finance</b>					
Loan Taken	-	-	-	-	-
Repayment of Loan	-	-	-	-	-
Issue of Shares	-	-	-	-	-
<b>2) Expenses</b>					
Other Expenses	-	-	-	-	-
Remuneration	-	-	-	-	-
<b>3) Outstanding</b>					
Payables	-	-	-	-	-
<b>4) Others</b>					
Acquisition of Business	-	-	-	0.33	-

Enterprises over which over which directors and / or their relatives has significant influence:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>1) Outstanding</b>					
Payable	-	-	-	-	-

## ANNEXURE XXIV CAPITALIZATION STATEMENT

(₹ in lakhs)

Particular	Pre Issue (as at March 31, 2018)	Post Issue
<b>Borrowings</b>		
Short term debt (A)	-	-
Long Term Debt (Including Current Maturities) (B)	39.02	39.02
<b>Total debts (C=A+B)</b>	<b>39.02</b>	<b>39.02</b>
<b>Shareholders' funds</b>		
Equity share capital (D)	1.00	[•]
Reserve and surplus - as restated (E)	100.78	[•]
<b>Total shareholders' funds (F=D+E)</b>	<b>101.78</b>	[•]
<b>Long term debt / shareholders funds</b>	<b>0.38</b>	[•]
<b>Total debt / shareholders funds</b>	<b>0.38</b>	[•]

### Note:

- The above has been computed on the basis of Restated Financials of the Company.
- Pursuant to Board Meeting held on May 05, 2018 Company has allotted 9,90,000 Bonus Shares to all the shareholders of the Company in the ratio of 99:1 i.e. 99 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.
- Pursuant to Board Meeting held on June 01, 2018, Company has allotted 12,00,000 equity shares under right issue.
- Pursuant to Board Meeting held on August 02, 2018, our Company has allotted 5,50,000 equity shares under Preferential allotment.

## ANNEXURE XXV STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Restated PAT as per P & L Account	70.35	4.32	12.98	13.58	-0.46
Actual Number of Equity Shares outstanding at the beginning of the year	10,000	10,000	10,000	10,000	10,000
Equivalent Weighted Avg number of Equity Shares at the end of the year <sup>(1)</sup>	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000
Share Capital	1.00	1.00	1.00	1.00	1.00
Reserves & Surplus	100.78	30.42	26.10	13.12	-0.46
Misc. Expenses not w/off	-	-	-	-	-
Net Worth <sup>(2)</sup>	101.78	31.42	27.10	14.12	0.54
<b>Earnings Per Share:</b>					
Basic & Diluted	7.04	0.43	1.30	1.36	(0.05)
Return on Net Worth (%)	69.13%	13.75%	47.90%	96.16%	(84.36)%
Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year <sup>(2)</sup>	1,017.76	314.21	271.00	141.19	5.42
Nominal Value per Equity share (₹)	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

<sup>(1)</sup> Weighted average no. of equity shares are calculated after giving effect for bonus issue and rights issue as per AS 20 of the Accounting Standard issued by the ICAI.

<sup>(2)</sup> As on March 31, 2018, the Company's paid-up equity capital consists of 10,000 number of fully paid up equity shares of face value ₹ 10/- each. Our Company has after March 31, 2018 allotted an aggregate of 27,40,000 Equity Shares of ₹ 10/- each. Considering the above allotments, the pre- issue Net worth and NAV as on date of this Draft Prospectus should be read as ₹ 276.78 lakhs and ₹ 10.06 per share, respectively, after adjusting for these events.

### Notes on Accounting Ratios:

1. Earnings per Share (₹) = (Restated PAT as per P & L Account/ Weighted Average Number of Equity Shares at the end of the Year).
2. Return on Net Worth (%) = Restated PAT as per P & L Account/ Net Worth Restated \* 100.
3. Net Asset Value per Share (₹) = Net Worth Restated/ Number of Equity Shares at the end of the Year.

### ANNEXURE XXVI

#### STATEMENT OF TAX SHELTER

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Tax Rates</b>					
Income Tax Rate (%)	25.75%	30.90%	30.90%	30.90%	30.90%
Minimum Alternate Tax Rate (%)	19.06%	19.06%	19.06%	19.06%	19.06%
<b>Restated Income before tax as per books (A)</b>	<b>59.24</b>	<b>10.16</b>	<b>18.80</b>	<b>19.66</b>	<b>(0.46)</b>
<b>Incomes considered separately</b>					
Interest Income	-	-	-	-	-
Dividend Income	-	-	-	-	-
<b>Total Incomes considered separately (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated Profit other than income considered separately (C)=(A-B)</b>	<b>59.24</b>	<b>10.16</b>	<b>18.80</b>	<b>19.66</b>	<b>(0.46)</b>
<b>Tax Adjustment</b>					
<b>Permanent Differences</b>					
Expenses disallowed u/s 37	3.64	0.50	0.44	6.27	-
<b>Total Permanent Differences(D)</b>	<b>3.64</b>	<b>0.50</b>	<b>0.44</b>	<b>6.27</b>	<b>-</b>
<b>Timing Differences</b>					
Depreciation as per Income Tax	(137.56)	(117.91)	(122.54)	(100.69)	-
Depreciation as per Books	90.58	138.47	116.74	74.89	-
Expenses disallowed u/s 36	5.69	6.62	-	-	-
Preliminary expenses	0.07	0.07	0.07	0.07	0.30
Provision for Gratuity	7.13	-	-	-	-
Disallowances u/s 43B	-	1.62	-	-	-
<b>Total Timing Differences (E)</b>	<b>(34.23)</b>	<b>28.73</b>	<b>(5.88)</b>	<b>(25.88)</b>	<b>0.30</b>
<b>Income From Business or Profession (F)=(C+D+E)</b>	<b>28.65</b>	<b>39.39</b>	<b>13.35</b>	<b>0.047</b>	<b>(0.16)</b>
<b>Taxable Income/(Loss) (F)</b>	<b>28.65</b>	<b>39.39</b>	<b>13.35</b>	<b>0.047</b>	<b>(0.16)</b>
<b>Less: Carry forward of loss of previous year</b>	<b>-</b>	<b>-</b>	<b>(0.11)</b>	<b>(0.047)</b>	<b>-</b>
<b>Tax on Total Income</b>	<b>7.38</b>	<b>12.17</b>	<b>4.09</b>	<b>0.00</b>	<b>-</b>
<b>MAT on Book Profit</b>	<b>11.29</b>	<b>1.94</b>	<b>3.58</b>	<b>3.75</b>	<b>-</b>
<b>Tax paid as per normal or MAT</b>	<b>MAT</b>	<b>Normal</b>	<b>Normal</b>	<b>MAT</b>	<b>-</b>

#### Note:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.

#### CHANGES IN ACCOUNTING POLICIES IN THE LAST FIVE YEARS

There has been no change in the Accounting Policies in the last five (5) years.

#### CHANGES IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

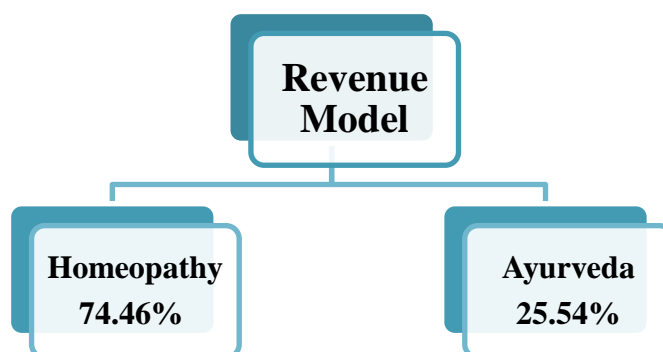
### OVERVIEW

Our Company is engaged in the business of Healthcare Clinical services in the field of Ayurveda and Homeopathy. Our Company, acquired the running business of a partnership firm in the name and style of M/s. Star Health Sciences in the year 2014. The said acquisition enabled our Company to pursue its vision to provide the best medical treatment in the most advanced way with the use of latest clinical knowledge and medical diagnostic avenues. We currently have 13 specialty homeopathic and ayurveda clinics / branches located in different cities of Telangana, Andhra Pradesh and Karnataka. Further we have a team of more than 55 doctors and 145-150 well trained staff working to give best services to our existing and new patients.

We operate a wide network of clinics / branches in South-India region and we believe our brands Star Homeopathy and Star Ayurveda are strongly associated with our mission to deliver high quality healthcare services which are result oriented. We stand to cure, care, comfort, and last to improve quality of life. Our Promoters, Dr. Amda Ramakrishna and Dr. Srinivasa Gupta Kandula, hold experience of more than 2 decades each, in the field of Homeopathy and / or Ayurveda and with the help of their experience we provide better and desired healthcare service to our patients.

We have invested in technology both for clinical purposes as well integrating systems and processes for betterment of patient and quality control. We believe that our brand image and operational experience in our core markets provide us the platform to further expand our presence and operations in other locations across the country. Our clinical capabilities include facilities for treating chronic diseases like diabetes, infertility, arthritis, children problems, skin diseases, renal stones, thyroid, and many more without any side effects (as compared to other treatment methods).

We believe that our “**STAR HOMEOPATHY & STAR AYURVEDA**” brands are widely recognized in South India for the provision of high quality, compassionate and effective healthcare services. Our business revenue is bifurcated into Revenue from Ayurveda and Revenue from Homeopathy. The percentage wise breakup is given below:



We are certified by ISO 9001:2015 for providing services as per the requirement of quality standards of Healthcare Services. These certifications confirm to the Quality Management System of our Company in relation to the service of Homeopathy and Ayurveda. Our clinic in Secunderabad had been inaugurated by the then Deputy Chief Minister of Andhra Pradesh Shree Damodar Raja Narsimha in the year 2014. We are working towards promoting Homoeopathy and Ayurveda with the masses by conducting free medical health camps as part of a social responsibility drive.

Our Registered office is situated in Secunderabad and we operate 13 clinics / branches in various cities in southern India region and a call centre in Secunderabad. Our each clinic sizes vary between 1,200 sq. ft to 5,500 sq. ft. Our clinics / branches are designed with state-of-the-art infrastructure to provide hygiene and a safe environment. Facilities available at all our clinics include a reception desk, comfortable seating capacity (15-20 seats), four to eight consultation rooms and a dedicated Ayurveda therapy rooms. For Details of our existing clinics and office please refer “Our Business – Properties” on page no. 86 of this Draft Prospectus.

## **COMPETITION**

Homeopathy and Ayurveda clinical being a global industry, we face competition from small as well as big players in the industry in domestic market. This industry is highly competitive. We have a number of competitors offering services similar to us. Even with a diversified service portfolio, quality approach, we may have to face competitive pressures. Our Competitors in the same industry are Homeo Care International Private Limited, Dr Batras Clinics, Positive Life Science Private Limited.

### **Significant Developments after March 31, 2018 that may affect our Future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

### **Factors affecting our Result of Operation**

Except as otherwise stated in this Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others.

#### ***Increasing competition in the industry***

Our Company faces competition from local, national and also from organized and unorganized players in the market. Our Company operates in competitive environment which may force us to reduce our pricing of services.

#### ***General economic and business conditions***

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect Healthcare industry in India. India’s gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

#### ***Our ability to successfully implement its strategy and its growth and expansion plans***

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company’s roll out schedules and cause cost and time over runs.

## RESULTS OF OUR OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31,							
	2018	% of Total Income	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income
<b>INCOME</b>								
Revenue from Operations	1702.21	100.00%	1849.84	100.00%	1941.9	100.00%	1844.92	100.00%
<b>Total Income</b>	<b>1702.21</b>	<b>100%</b>	<b>1849.84</b>	<b>100%</b>	<b>1941.9</b>	<b>100%</b>	<b>1844.92</b>	<b>100%</b>
<b>EXPENDITURE</b>								
Cost of Material Consumed	127.46	7.49%	142.25	7.69%	128.76	6.63%	134.69	7.30%
Employee benefit expenses	571.58	33.58%	529.79	28.64%	525.38	27.06%	591.90	32.08%
Finance costs	10.16	0.6%	10.85	0.59%	2.01	0.10%	0.00	0.00%
Depreciation	90.58	5.32%	138.47	7.49%	116.74	6.01%	74.89	4.06%
Other Expenses	843.19	49.53%	1018.30	55.05%	1150.21	59.23%	1023.79	55.49%
<b>Total Expenses</b>	<b>1642.97</b>	<b>96.52%</b>	<b>1839.68</b>	<b>99.45%</b>	<b>1923.10</b>	<b>99.03%</b>	<b>1825.27</b>	<b>98.93%</b>
<b>Profit before Prior period item, exceptional item, extraordinary items and tax</b>	<b>59.24</b>	<b>3.48%</b>	<b>10.16</b>	<b>0.55%</b>	<b>18.80</b>	<b>0.97%</b>	<b>19.66</b>	<b>1.07%</b>
Prior period items	-	-	-	-	-	-	-	-
<b>Profit before exceptional item, extraordinary items and tax</b>	<b>59.24</b>	<b>3.48%</b>	<b>10.16</b>	<b>0.55%</b>	<b>18.80</b>	<b>0.97%</b>	<b>19.66</b>	<b>1.07%</b>
Exceptional items	-	-	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>59.24</b>	<b>3.48%</b>	<b>10.16</b>	<b>0.55%</b>	<b>18.80</b>	<b>0.97%</b>	<b>19.66</b>	<b>1.07%</b>
Extraordinary items	-	-	-	-	-	-	-	-
<b>Net Profit /(Loss) before tax</b>	<b>59.24</b>	<b>3.48%</b>	<b>10.16</b>	<b>0.55%</b>	<b>16.79</b>	<b>0.86%</b>	<b>19.66</b>	<b>1.07%</b>
<b>Less: Tax expense</b>								
(i) Current tax	11.29	0.66%	12.17	0.66%	4.09	0.21%	3.75	0.20%
(ii) MAT Credit	(3.91)	(0.23%)	0.00	0.00%	0.00	0.00%	(3.75)	(0.20)%
(iii) Deferred tax	(18.49)	(1.09%)	(6.33)	(0.34%)	1.73	0.09%	6.08	0.33%
<b>Total Tax Expense</b>	<b>(11.11)</b>	<b>(0.65%)</b>	<b>5.84</b>	<b>0.32%</b>	<b>5.82</b>	<b>0.30%</b>	<b>6.08</b>	<b>0.33%</b>
<b>Net Profit/ Loss after tax</b>	<b>70.35</b>	<b>4.13%</b>	<b>4.32</b>	<b>0.23%</b>	<b>12.98</b>	<b>0.67%</b>	<b>13.58</b>	<b>0.74%</b>



## ***Main Components of our Profit and Loss Account***

### ***Income***

Our total income comprises of revenue from operations.

#### ***Revenue from Operations***

Our revenue from operation as a percentage of total income were 100% in all fiscal years i.e 2018,2017,2016 and 2015 as our total income comprises of revenue from operations only.

### ***Expenditure***

Our total expenditure primarily consists of Cost of Material Consumed, Employee Benefit Expenses, Finance costs, Depreciation & Amortisation Expenses and Other Expenses.

#### ***Cost of Material Consumed***

Cost of Material Consumed is primarily in relation to purchases of various medicines.

#### ***Employee Benefit Expenses***

Expenses in relation to employees' remuneration and benefits include, salaries and wages, contribution to PF & others, staff welfare expenses etc.

#### ***Finance costs,***

Finance cost primarily consists of interest payable on loans availed by our company from banks and other processing charges, bank charges etc.

#### ***Depreciation Expenses***

Depreciation Expenses consist of depreciation on the Tangible and Intangible assets of our Company which primarily includes Computer, Furniture and Fixtures, Computer Software, and other intangibles etc.

#### ***Other Expenses***

Other expenses primarily include advertisement, fuel charges, electricity expense, rent, electrical charges etc.

#### ***Provision for Tax***

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Fiscal 2018 compared with fiscal 2017**

### ***Income***

In fiscal 2018, our total income decreased by ₹ 147.62 lakhs or 7.98%, from ₹ 1849.84 lakhs in fiscal 2017 to ₹ 1702.21 lakhs in fiscal 2018.

The major factor for such decrease was due to fall in collections from Ayurveda services.

#### ***Cost of material consumed***

Cost of material consumed decreased by ₹ 14.79 lakhs or 10.40%, from ₹ 142.25 lakhs in fiscal 2017 to ₹ 127.46 lakhs in fiscal 2018 due to decrease in cost of purchase of raw material

### *Employee Benefit Expenses*

Our staff cost increased by ₹ 41.79 lakhs or 7.89%, from ₹ 529.79 lakhs in fiscal 2017 to ₹ 571.58 lakhs in fiscal 2018. This increase was mainly due to providing of incentives in fiscal 2018 and rise in Staff Welfare Expenses.

### *Finance Cost*

Finance cost during the year decreased by ₹ 0.69 lakhs or 6.39%, from ₹ 10.85 lakhs in fiscal 2017 to ₹ 10.16 lakhs in fiscal 2018 due to decrease in Interest on bank borrowings, processing charges etc.

### *Depreciation*

Depreciation expenses decrease by ₹ 47.89 lakhs or 34.59% from ₹ 138.47 lakhs in fiscal 2017 to ₹ 90.58 lakhs in fiscal 2018. This decrease was on account of depreciation on reduced WDV

### *Other Expenses*

Other expenses decreased by ₹ 175.11 lakhs or 17.20% from ₹ 1,018.30 lakhs in fiscal 2017 to ₹ 843.19 lakhs in fiscal 2018. The decrease was majorly due to decrease in certain expense like rent, advertisement, telephone charges, and staff recruitment expenses.

### *Profit before Tax*

The decrease in the total expenses has led to an increase in our Profit before tax by ₹ 49.08 lakhs or 483% from ₹ 10.16 lakhs in fiscal 2017 to ₹ 59.24 lakhs in fiscal 2018.

### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 66.03 lakhs or 1528.02%, from ₹ 4.32 lakhs in fiscal 2017 to ₹ 70.35 lakhs in fiscal 2018.

## **Fiscal 2017 compared with fiscal 2016**

### *Income*

In fiscal 2017, our total income decreased by ₹ 92.07 lakhs or 4.74%, from ₹ 1941.90 lakhs in fiscal 2016 to ₹ 1849.84 lakhs in fiscal 2017. The decrease in the year 2017 was due to decrease in the revenue from operations from Ayurveda services.

### *Cost of material consumed*

Cost of material consumed increased by ₹ 13.49 lakhs or 10.48%, from ₹ 128.76 lakhs in fiscal 2016 to ₹ 142.25 lakhs in fiscal 2017.

### *Employee Benefit Expenses*

Our employees expenses increased by ₹ 4.41 lakhs or 0.84%, from ₹ 525.38 lakhs in fiscal 2016 to ₹ 529.79 lakhs in fiscal 2017. This increase was mainly due to increase in Staff Welfare Expenses.

### *Finance Cost*

Finance cost during the year increased by ₹ 8.84 lakhs or 438.84%, from ₹ 2.01 lakhs in fiscal 2016 to ₹ 10.85 lakhs in fiscal 2017. The increase was due to increase in Bank Interest and Interest on bank borrowings.

### *Depreciation Expenses*

Depreciation expenses increased by ₹ 21.74 lakhs or 18.62% from ₹ 116.74 lakhs in fiscal 2016 to ₹ 138.47 lakhs in fiscal 2017. This increase was due to addition of fixed assets

#### *Other Expenses*

Other expenses decreased by ₹ 131.91 lakhs or 11.47% from ₹ 1150.21 lakhs in fiscal 2016 to ₹ 1018.30 lakhs in fiscal 2017. The decrease was due to decrease in Office Maintenance, Advertisement, Repairs and Maintenance Fiscal 2017.

#### *Profit before Tax*

The increase in the cost of material consumed and depreciation expense has led to an decrease in Profit before tax by ₹ 8.64 lakhs from ₹ 18.80 lakhs in fiscal 2016 to ₹ 10.16 lakhs in fiscal 2017.

#### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 8.66 lakhs or 66.71 %, from ₹ 12.98 lakhs in fiscal 2016 to ₹ 4.32 lakhs in fiscal 2017.

### **Fiscal 2016 compared with fiscal 2015**

#### *Income*

In fiscal 2016, our total income increased by ₹ 96.98 lakhs or 5.26%, from ₹ 1844.92 lakhs in fiscal 2015 to ₹ 1941.90 lakhs in fiscal 2016. The increase in the year 2016 was due to increase in the revenue from operations compared to last year.

#### *Cost of material consumed*

Cost of material consumed decreased by ₹ 5.93 lakhs or 4.40%, from ₹ 134.69 lakhs in fiscal 2015 to ₹ 128.76 lakhs in fiscal 2016.

#### *Employee Benefit Expenses*

Our staff cost decreased by ₹ 66.52 lakhs or 11.24%, from ₹ 591.90 lakhs in fiscal 2015 to ₹ 525.38 lakhs in fiscal 2016. This decrease was mainly due to fall in staff expenses and allowances.

#### *Finance Cost*

Finance cost during the year increased by ₹ 2.01 lakhs or 6.17%, from ₹ 0 lakhs in fiscal 2015 to ₹ 2.01 lakhs in fiscal 2016.

#### *Depreciation Expenses*

Depreciation expenses increased by ₹ 41.84 lakhs or 55.87% from ₹ 74.89 lakhs in fiscal 2015 to ₹ 116.74 lakhs in fiscal 2016. This increase was on account of purchase of fixed assets in FY 2015-16 and depreciation effect due to change in Companies Act, 2013

#### *Other Expenses*

Other expenses increased by ₹ 126.42 lakhs or 12.35% from ₹ 1,023.79 lakhs in fiscal 2015 to ₹ 1,150.21 lakhs in fiscal 2016. The increase was due to increase in rent, office maintenance, advertisement and legal charges incurred in fiscal 2016.

#### *Profit before Tax*

Our Profit before tax is decreased by ₹ 0.86 lakhs from ₹ 19.66 lakhs in fiscal 2015 to ₹ 18.80 lakhs in fiscal 2016 due to rise in total expenses.

#### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 0.59 lakhs or 4.37 %, from ₹ 13.58 lakhs in fiscal 2015 to ₹ 12.98 lakhs in fiscal 2016.

## Cash Flows

(₹ in lakhs)

Particulars	For the Year ended March 31,		
	2018	2017	2016
Net Cash from Operating Activities	164.57	144.88	173.56
Net Cash from Investing Activities	(164.45)	(105.94)	(206.08)
Net Cash used in Financing Activities	4.19	(44.49)	31.62
Net Increase / (Decrease) in Cash and Cash equivalents	4.31	(5.55)	(0.90)

### Cash Flows from Operating Activities

Net cash from operating activities in fiscal 2018 was ₹ 164.57 lakhs as compared to the PBT of 59.24 lakhs for the same period. This difference is primarily on account of depreciation, Interest and Financial charges, Inventories, Trade payables, Trade receivables, Short term loans & advances, short term provisions and other current liabilities.

Net cash from operating activities in fiscal 2017 was ₹144.88 lakhs as compared to the PBT of ₹ 10.16 lakhs for the same period. This difference is primarily on account of depreciation, Interest and Financial charges, Inventories, Trade payables, Trade receivables, Short term loans & advances, short term provisions and other current liabilities.

Net cash from operating activities in fiscal 2016 was ₹173.56 lakhs as compared to the PBT of ₹ 18.80 lakhs for the same period. This difference is primarily on account of depreciation, Interest and Financial charges, Inventories, Trade payables, Trade receivables, Short term loans & advances, short term provisions and other current liabilities.

### Cash Flows from Investment Activities

In fiscal 2018, the net cash invested in Investing Activities was negative ₹ 164.45 lakhs. This was on account of purchase of fixed assets .

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 105.94 lakhs. This was on account of purchase of fixed assets..

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 206.08 lakhs. This was on account of purchase of fixed assets.

### Cash Flows from Financing Activities

Net cash from financing activities in fiscal 2018 was ₹ 4.19 lakhs. This was on account of increase in long term borrowings.

Net cash from financing activities in fiscal 2017 was negative ₹ 44.49 lakhs. This was on account of repayment of long term borrowings and interest during the year.

Net cash from financing activities in fiscal 2016 was ₹ 31.62 lakhs. This was on account of increase in long term borrowings.

## OTHER MATTERS

### 1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### 2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “Financial Information” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, beginning on page nos. 124 and 143 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 10 and 143 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 10 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in introduction of new services and volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which our Company operates.**

Our Company is engaged in the business of Clinical Services in the field of Ayurveda and Homeopathy. Relevant data has been included in chapter titled ‘*Industry Overview*’ beginning on page no. 66 of this Draft Prospectus.

**7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page no. 74 of this Draft Prospectus.

**8. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

Our company does not depend on few customers or few suppliers. For further details, please refer chapter “*Our Business*” beginning on page no. 74 of this Draft Prospectus

**10. Competitive Conditions**

Our Company faces competition from players in the global market as well as domestic market and from organized and unorganized players. We expect competition to intensify due to possible changes in government policies and further compliance standards for the services provide by us, existing competitors globally and locally further expanding their operations and further many small and medium-sized companies and entities engaged in healthcare industry. This we believe may impact our financial condition and operations.

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2018 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

(₹ in lakhs)

Nature of Borrowing	Amount
Secured Borrowings	-
Unsecured Borrowings <sup>(1)</sup>	39.02
<b>Total</b>	<b>39.02</b>

<sup>(1)</sup> Includes ₹24.67 lakhs shown under Other Current Liabilities as 'Current Maturities of Long Term Debt'

### A. Details of Unsecured Loans

(₹ in lakhs)

Name of Lenders	Type of Loan	Date of Sanction	Amount Sanctioned	Amount outstanding as on March 31, 2018	Interest (In %)	Repayment
HDFC Bank	Business Loan	April 12, 2017	35.00	25.81	14.00	Repayable in 36 monthly installments of ₹ 1.20 lakhs Installments starting from May, 2017 and ending on April, 2020
Tata Capital Financial Services Limited	Business Loan	April 13, 2017	25.25	13.21	18.22	Repayable in 24 monthly installments of ₹ 1.24 lakhs. Installments starting from April, 2017 and ending on March, 2019.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*As described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and our Group Entities that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

*Further, except as disclosed in this section, our Board of Directors do not consider any other outstanding litigation or past penalties involving our Company, Subsidiaries, Promoter, Group Companies and Directors as material as on the date of this Prospectus. Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding ₹ 1 lakh as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed at their board meeting held on June 12, 2017.*

#### CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (₹ in lakhs)
NIL	NIL

#### LITIGATION INVOLVING OUR COMPANY

##### A. LITIGATION AGAINST OUR COMPANY

##### 1. Litigations involving Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

##### 3. Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

##### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

##### 4. Other Pending Litigations

NIL



## B. LITIGATIONS FILED BY OUR COMPANY

### 1. Litigation Involving Criminal matters

NIL

### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (iii) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

#### (iv) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

### 4. Other Pending Litigations

NIL

## LITIGATION INVOLVING OUR DIRECTORS

### A. LITIGATION AGAINST OUR DIRECTORS

#### 1. Litigation Involving Criminal Matters

NIL

#### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. LITIGATION INVOLVING TAX LIABILITIES

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

#### 4. Other Pending Litigations

NIL

#### B. LITIGATION FILED BY OUR DIRECTORS

##### 1. Litigation Involving Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

#### 3. LITIGATION INVOLVING TAX LIABILITIES

##### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

##### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### 4. Other Pending Litigations

NIL

#### LITIGATION INVOLVING OUR PROMOTERS

#### A. LITIGATION AGAINST OUR PROMOTERS

##### 1. Litigation Involving Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

##### 3. Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### 4. Other Pending Litigations

NIL

## B. LITIGATION FILED BY OUR GROUP COMPANIES

#### 1. Criminal matters

NIL

#### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### 4. Other Pending Litigations

NIL

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

**Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company and its Subsidiaries for default or outstanding defaults.

**Non-Payment of Statutory Dues**

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company. For details of dues of income tax, GST, customs duty, excise duty, and cess, which have not been deposited as on March 31, 2018 on account of disputes, see “*Financial Information*” beginning on page 124 of this Draft Prospectus.

**Amounts owed to small scale undertakings and other creditors**

The Board of Directors of our Company considers dues exceeding ₹ 1.00 lakh to small scale undertakings and other creditors as material dues for our Company. Our Company owes to small scale undertakings amounts aggregating to ₹ 93.47 lakhs as on March 31, 2018.

There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: [www.starhomeopathy.com](http://www.starhomeopathy.com) the detail in relation to other creditors and amount payable to each creditor is available on the website of our Company.

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT AND OTHER KEY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.*

### Approvals for the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on August 25, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra Ordinary General Meeting held on August 27, 2018 authorized the Issue.
3. In-principle approval dated [●] from the National Stock Exchange of India Limited (NSE) for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is [●].

### Approvals pertaining to Incorporation, name and constitution of Our Company

1. Certificate of Incorporation dated February 26, 2014 issued by the Registrar of Companies, Hyderabad ("RoC") in the name of "Star Health Sciences India Private Limited."
2. A fresh Certificate of Incorporation consequent upon change of name from "Star Health Sciences India Private Limited" to "Star Health Sciences India Limited" was issued on August 24, 2018 by the Registrar of Companies, Hyderabad.
3. The Corporate Identity Number (CIN) of the Company is U74120TG2014PLC093200.

### I. TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAUCS4237N	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	HYDS38020D	Valid until cancelled
3	Enrollment Certificate under the Andhra Pradesh Tax on Profession, Trade, Calling and Employments Act, 1987	Commercial Taxes Department, Hyderabad	36271496569	Valid until cancelled
4	Enrollment Certificate under the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	Commercial Taxes Department, Bangalore	369699985	Valid until cancelled

## II. LABOUR / EMPLOYEES RELATED APPROVALS:

Sr. No	Description	Authority	Registration Number	Date of Expiry
1.	Certificate for Registration issued under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Funds Department Central Government	TS/HYD/1479466	Valid until cancelled
2.	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director Of Regional Office Of Employees State Insurance Corporation (Hyderabad)	52-000-54938-000- 1401	Valid until cancelled
3	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Hanumakonda)	52-520-54938-001- 1401	Valid until cancelled
4	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Mangalore)	77-520-54938-001- 1401	Valid until cancelled
5	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Hubli)	58-520-54938-000- 1401	Valid until cancelled
6	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Davanagiri)	58-520-54938-002- 1401	Valid until cancelled
7	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Bangalore)	53-520-54938-001- 1401	Valid until cancelled
8	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Gulberga)	71-520-54938-001- 1401	Valid until cancelled
9	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Gunture)	62-520-54938-002- 1401	Valid until cancelled
10	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Vishakhapatnam)	70-520-54938-001- 1401	Valid until cancelled
11	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Rajahmundry)	62-520-54938-003- 1401	Valid until cancelled
12	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Thirupathi)	52-520-54938-002- 1401	Valid until cancelled
13	Registration under Employees' State Insurance Act, 1948	Assistant/ Deputy Director of Regional office of Employees State Insurance Corporation (Vijayawada)	62-520-54938-001- 1401	Valid until cancelled



### III. BUSINESS RELATED APPROVALS

The Company has obtained the following approvals for the purposes of conducting its business activities:

Sr. No.	Description	Location	Authority	Registration Number	Date of Expiry
1.	Telangana Shops and Establishments Act, 1988	MIG-324 PHASE-1 1st Floor Beside Chennai Shopping Mall, KPHB Colony, Kukatpally, Medchal (Malkajgiri)	Labour Department	SER/MED/JCL/RR/07233/2016	December 31, 2018
2	Telangana Shops and Establishments Act, 1988	Opp Fruit Market Beside Vijaya Textiles, Kothapet, Saroor Nagar, Ranga Reddy	Labour Department	SEA/RRD/JCL/RR/00167/2016	December 31, 2018
3	Telangana Shops and Establishments Act, 1988	8-1-351/A/4, Tolichowki, Circle 27, Hyderabad	Labour Department	SER/HYD/JCL/HB/05455/2016	December 31, 2018
4	Telangana Shops and Establishments Act, 1988	10-2-348 Plot No 231/A, Konda Reddy Street, West Mareedpally, Secunderabad Circle 19, Hyderabad	Labour Department	SEA/HYD/JCL/HB/00610/2016	December 31, 2018
5	Telangana Shops and Establishments Act, 1988	Bhuvana Towers, Above CMR Shopping Mall, S.D. Road, Secunderabad, Hyderabad Circle2.	Labour Department	SER/HYD/JCL/HB/05450/2016	December 31, 2018
6	Andhra Pradesh Shops and Establishments Act, 1988	29-14-26, 1st Floor, Opp. 5thPalace, Prakasam Road, Governorpet, Ward-21, Vijayawada (Urban), Krishna – 520002	Labour Department	AP-06-84-21-0268795	March 31, 2019
7	Andhra Pradesh Shops and Establishments Act, 1988	19-8-112/D, 2 <sup>nd</sup> Floor, Kora Towers, Air Bypass Road, Opp. HDFC Bank, Ward-19, Thirupathi (Urban), Chittoor.	Labour Department	AP-10-84-019-0268755	March 31, 2019
8	Andhra Pradesh Shops and Establishments Act, 1988	29-2-31, Jagadhambha Ward-19, Visakhapatnam-530020	Labour Department	AP-03-84-019-0242267	March 31, 2019
9	Andhra Pradesh Shops and Establishments Act, 1988	48-16-10, PandurangaSwamy Temple Lane, Dhanavaipeta, ward-07, Rajahmandry (urban), East Godavari- 533103	Labour Department	AP-04-81-007-0268763	March 31, 2019
10	The Karnataka Private Medical Establishment (KPME) Act, 2007	No. 771, Ground Floor, 34th Cross, 4th Block, Jayanagar, 10th Main, Bangalore, 560011.	Labour Department	13/168/CE0153/2015	December 31, 2019
11	The Karnataka Private Medical Establishment (KPME) Act, 2007	No.93/2-1, 4th Main Road, Margosa Road, Near 12th Cross, Malleshwaram, Bangalore, 560003.	Labour Department	47/65/S/0046/2015	December 31, 2019
12	ISO 9001: 2015	H. No. 10-2-348, Plot No: 231/A, Konda Reddy Street, West Mareedpally, Telangana – 500 026	HYM International Certifications Pvt. Ltd.	Certificate No. Q91864141046	June 18, 2021
13	Certificate of Registration under Karnataka Private Medical Establishment (KPME) Act, 2007	Dharwad	District Health & FM officer & Secretary	DWR00061HOPC	October 18, 2021
14	Certificate of Registration under Karnataka Private Medical Establishment (KPME) Act, 2007	Kalaburagi	District Health & FM officer & Secretary	GLB00001HOPC	August 21, 2020

Sr. No.	Description	Location	Authority	Registration Number	Date of Expiry
15	Certificate of Registration under Karnataka Private Medical Establishment (KPME) Act, 2007	Bangalore	Govt. of Karnataka Labor Department	13/168/CE/0153/2015	December 31, 2019
16	Certificate of Registration under Karnataka Private Medical Establishment (KPME) Act, 2007	Malleshwaram Bangalore	Govt. of Karnataka Labor Department	47/65/S/0046/2015	December 31, 2019

#### IV. INTELLECTUAL PROPERTY

We have registered following Intellectual properties with the Trade Mark Registry, Mumbai

Sr. No.	Particulars of the mark	Word/Label mark	Applicant	Trademark/ Application Number	Issuing Authority	Certificate Detail	Class	Period of validity
1.	Star Health Science	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442332	Trade Marks Registry, Mumbai	Certificate bearing No. 1918071 dated July 13, 2018	5	December 13, 2022
2	Star Ayurveda	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442331	Trade Marks Registry, Mumbai	Certificate bearing No. 191807 dated July 13, 2018	5	December 13, 2022
3	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442317	Trade Marks Registry, Mumbai	Certificate bearing No. 1858885 dated May 13, 2018	5	December 13, 2022
4	Star Health Science	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442314	Trade Marks Registry, Mumbai	Certificate bearing No. 1865974 dated May 21, 2018	35	December 13, 2022
5	Star Ayurveda	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442313	Trade Marks Registry, Mumbai	Certificate bearing No. 1858883 dated May 13, 2018	35	December 13, 2022
6	Star Health Science	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442213	Trade Marks Registry, Mumbai	Certificate bearing No. 1858968 dated May 14, 2018	16	December 13, 2022
7	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442211	Trade Marks Registry, Mumbai	Certificate bearing No. 1366466 dated October 05, 2016	16	December 13, 2022
8	Star Ayurveda	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442206	Trade Marks Registry, Mumbai	Certificate bearing No. 1918189 dated July 13, 2018	44	December 13, 2022

Sr. No.	Particulars of the mark	Word/Label mark	Applicant	Trademark/ Application Number	Issuing Authority	Certificate Detail	Class	Period of validity
9	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442205	Trade Marks Registry, Mumbai	Certificate bearing No. 1858967 dated May 14, 2018	44	December 13, 2022
10	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442211	Trade Marks Registry, Mumbai	Certificate bearing No. 1366466 dated October 05, 2018	16	December 13, 2022
11		Device	Mrs. K. Ratnamala <sup>(1)</sup>	2667391	Trade Marks Registry, Mumbai	Certificate bearing No. 1949411 dated August 09, 2018	44	January 28, 2024
12	Star Ayurveda Homeopathy	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443699	Trade Marks Registry, Mumbai	Certificate bearing No. 1866024 dated May 21, 2018	35	December 17, 2022
13	Star Homeopathy Ayurveda	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443698	Trade Marks Registry, Mumbai	Certificate bearing No. 1866023 dated May 21, 2018	35	December 17, 2022
14	Dental International	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443697	Trade Marks Registry, Mumbai	Certificate bearing No. 1866022 dated May 21, 2018	16	December 17, 2022
15	Star Ayurveda Homeopathy	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443696	Trade Marks Registry, Mumbai	Certificate bearing No. 1866021 dated May 21, 2018	16	December 17, 2022
16	Star Homeopathy Ayurveda	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443695	Trade Marks Registry, Mumbai	Certificate bearing No. 1866020 dated May 21, 2018	16	December 17, 2022



<sup>(1)</sup> The above said trademarks are registered in the name of Mrs. K. Ratnamala Promoter Director of our Company, however she had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.

<sup>(2)</sup> The above said trademarks are registered in the name of Dr. K. Murali Ahki Reddy, however he had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.

## V. Pending Approvals

The Company is in the process of obtaining renewals/registration of the following approvals

1. Trademarks pending for approvals:

Sr. No.	Particulars of the mark	Word/ Label mark	Applicant	Trademark/ Application Number	Class	Period of validity
1.	Star Homeopathy	Word	Mrs. K. Ratnamala <sup>(1)</sup>	2442312	35	Accepted & Advertised
2		Device	Mrs. K. Ratnamala <sup>(1)</sup>	2667390	44	Accepted & Advertised
3	Dental International	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443700	35	Accepted & Advertised
4	Dental International	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443694	5	Accepted & Advertised
5	Star Ayurveda Homeopathy	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443693	5	Accepted & Advertised
6	Star Homeopathy Ayurveda	Word	Dr. K. Murali Ahki Reddy <sup>(2)</sup>	2443692	5	Accepted & Advertised
7	Star Dental	Word	Dr. K. Murali Anki Reddy <sup>(2)</sup>	2562443	16	Accepted & Advertised
8		Device	Dr. K. Murali Anki Reddy <sup>(2)</sup>	2667389	44	Accepted & Advertised

<sup>(1)</sup> The above said trademarks are registered in the name of Mrs. K. Ratnamala Promoter Director of our Company, however she had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.

<sup>(2)</sup> The above said trademarks are registered in the name of Dr. K. Murali Ahki Reddy, however he had transferred all the rights on the above said trademarks to the company vide deed of assignment dated August 23, 2018.

2. Certificate of Registration under the Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987

## SECTION VIII- OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated August 25, 2018 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on August 27, 2018, in accordance with the provisions of Section 62(1)(C) of the Companies Act, 2013.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the Emerge Platform of National Stock Exchange of India Limited. NSE is the designated stock exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, its Promoters, relatives of Promoter (as defined under Companies Act, 2013) its Directors and its Group Companies have been identified as wilful defaulters by the RBI or other authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Risk factors*”, “*Our Promoters, Promoter Group*”, “*Group Companies*” and “*Outstanding Litigations and Material Developments*” beginning on page nos. 10, 111, 117 and 152 respectively, of this Draft Prospectus.

### Eligibility for the Issue

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of National Stock Exchange of India Limited).

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see “*General Information- Underwriting*” on page no. 43 of this Draft Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager

submits the copy of Draft Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus with Stock Exchange and the Registrar of Companies.

- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see “General Information- Details of the Market Making Arrangements for this Issue” on page no. 44 of this Draft Prospectus.
- e) Our Company has been incorporated under the Companies Act 1956, in India.
- f) The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years.
- g) Our Company has track record of atleast 3 years.
- h) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR)
- i) Our Company has not been in defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
- j) There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction.
- k) There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- l) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹ 275.00 lakhs (₹ 2.75 crores), and the Post Issue Capital will be ₹ 399.80 lakhs (₹ 3.99 crores).
- m) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- n) We have a website: [www.starhomeopathy.com](http://www.starhomeopathy.com)

We further confirm that we shall comply with all other requirements as laid down for such Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT 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 AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY**



**ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] 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 PROSPECTUS 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 PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS 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, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), 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 PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE**
- 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 OF THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL**



**BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE**

- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE “MAIN OBJECTS” LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED WITH.**
- 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 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND**
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER– NOTED FOR COMPLIANCE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER 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 PROSPECTUS 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 BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE “ANNEXURE A” FOR FURTHER DETAILS).
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 CERTIFIED BY M/S. RAMASAMY KOTESWARA RAO & CO. LLP, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 010396S/ S200084) PURSUANT TO THEIR REPORT DATED AUGUST 27, 2018.)

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED DRAFT PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS.
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

## **Disclaimer from our Company, Directors and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

## **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated August 27, 2018, the Underwriting Agreement dated August 27, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated August 27, 2018, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

## **Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriter and their respective Directors, Officers, Agents, Affiliates and representatives that they are eligible under all applicable Laws, Rules, Regulations, Guidelines and Approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, Officers, Agents, Affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **Disclaimer Clause of the NSE Emerge Platform**

As required, a copy of this Draft Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). The disclaimer clause as intimated by NSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to RoC filing.

## **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except

pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

## Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(O)(1). However, a copy of the Prospectus shall be filed with SEBI at Overseas Towers, 7<sup>th</sup> Floor, 756-L, Anna Salai, Chennai - 600 002.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad - 500 068.

## Listing

An application shall be made to Emerge Platform of National Stock Exchange of India Limited for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its Emerge Platform of National Stock Exchange of India Limited after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the Emerge Platform of National Stock Exchange of India Limited is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited.

## Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1	Saketh Exim Limited	9.44	69	13/08/2018	69.30	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Supershakti Metaliks Limited	60.01	375	30/07/2018	377.10	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Ambani Organics Limited	9.03	66	18/07/2018	66.65	0.30%	4.47%	N.A.	N.A.	N.A.	N.A.
4	Jakharia Fabric Limited	19.66	180	11/07/2018	181.35	5.56%	4.40%	N.A.	N.A.	N.A.	N.A.

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
5	Garv Industries Limited	3.20	10	25/04/2018	10.00	-10.00%	1.23%	-10.60%	6.74%	N.A.	N.A.
6	Giriraj Civil Developers Limited	9.00	100	02/04/2018	101.00	1.00%	4.96%	33.75%	4.92%	N.A.	N.A.
7	Yasho Industries Limited	28.99	100	02/04/2018	106.00	6.00%	5.78%	6.00%	6.52%	N.A.	N.A.
8	Karda Constructions Limited	77.40	180	02/04/2018	136.00	4.03%	5.78%	-3.36%	6.52%	N.A.	N.A.
9	Uravi T and Wedge Lamps Limited	15.00	100	28/3/2018	102.50	3.00%	5.72%	5.00%	6.48%	N.A.	N.A.
10	Advitya Trade India Limited	4.31	15	26/3/2018	15.01	75.33%	4.34%	11.00%	7.93%	N.A.	N.A.

#### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	8 <sup>(1)</sup>	216.72	-	-	1	-	-	5	-	-	-	-	-	-
2017-18	16	318.24	1	1	4	1	1	8	3	2	2	-	-	4
2016-17	10	147.26	-	1	-	1	-	8	-	1	-	2	3	4
2015-16	3	15.90	-	-	-	-	-	3	-	-	-	1	1	1

<sup>(1)</sup> Details indicated in 2017-18 are for the IPOs completed as on date.

#### Notes:

- Since the listing date of Saketh Exim Limited and Supershakti Metaiks Limited was August 13, 2018 and July 30, 2018, respectively, information related to closing price and benchmark index as on the 30<sup>th</sup> calendar day, 90<sup>th</sup> calendar day and 180<sup>th</sup> calendar day from the listing date is not available.
- Since the listing date of Ambani Organics Limited and Jakharia Fabric Limited was July 18, 2018 and July 11, 2018, respectively, information related to closing price and benchmark index as on the 90<sup>th</sup> calendar day and 180<sup>th</sup> calendar day from the listing date is not available.
- Since the listing date of Garv Industries Limited, Giriraj Civil Developers, Yasho Industries Limited, Karda Constructions Limited, Uravi T and Wedge Lamps Limited and Advitya Trade India Limited was, April 25, 2018, April 02, 2018, April 02, 2018, April 02, 2018 March 28, 2018 and March 26, 2018, respectively, information related to closing price and benchmark index as on the 180<sup>th</sup> calendar day from the listing date is not available.
- The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

e) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

a) Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices.

### Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in)

### Consents

Consents in writing of: (a) the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Company\*, Banker to the Issue\*, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Ramasamy Koteswara Rao & Co. LLP, Chartered Accountants, have provided their written consent to the inclusion of their reports dated August 27, 2018 on Restated Financial Statements and to the inclusion of their reports dated August 27, 2018 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

### Expert Opinion

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Ramasamy Koteswara Rao & Co. LLP, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated August 27, 2018, and on the Restated Financial Statements dated August 27, 2018 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### ISSUE RELATED EXPENSES

Issue related expenses include underwriting and Issue management fees, selling commission, distribution expenses, market making charges, legal fees, fees to advisors, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchange, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including fees payable to Depositories is given below: Same as object of the Issue

The details of estimated Issue expenses are set forth below:

(₹ in lakhs)				
Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees (1 <sup>st</sup> year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[•]	[•]	[•]
2	Brokerage and Selling Commission, Underwriting	[•]	[•]	[•]



Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
	Commission, RTAs and CDPs			
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	[●]	[●]	[●]
4	Listing Fees, Market Regulatory & Other Expenses	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]

- <sup>1)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ [●] per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.
- <sup>2)</sup> The SCSBs would be entitled to processing fees of ₹ [●] per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.
- <sup>3)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of [●]% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.
- <sup>4)</sup> The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

#### **Fees, Brokerage and Selling Commission Payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated August 27, 2018, the Underwriting Agreement dated August 27, 2018 and the Market Making Agreement dated August 27, 2018 among our Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated August 28, 2018.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

#### **CAPITAL ISSUE DURING THE LAST FIVE YEARS**

##### **Previous Public and Rights Issues**

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

##### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “Capital Structure” beginning on page no. 46 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

##### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

##### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Companies / Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.



## **Promise v. Performance (Issuer and Listed Group Companies / Subsidiaries / Associates)**

Our Company has not made any rights and public issues in the past. None of our Group Companies / Associates is listed on any Stock Exchange and not made any rights and public issues in the past. Further, we do not have any subsidiary as on date of this Draft Prospectus

## **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments Issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

## **Stock Market Data for our Equity Shares**

This being an initial public offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

## **Mechanism for Redressal of Investor Grievances**

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on August 27, 2018 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Sudhakar Navath	Non-Executive Independent Director	Chairman
Dr. Sampath Rao Polineni	Non-Executive Independent Director	Member
Dr. Amda Ramakrishna	Chairman & Managing Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page no. 99 of this Draft Prospectus.

The Company has also appointed Mr. Manish Kumar Shukla as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Mr. Manish Kumar Shukla

**Address:** H. No. 1-2-271/3F/A, Third Floor, Sree Arcade, Sarojini Devi Road, Secunderabad, Telangana – 500 003

**Tel No:** +91 – 40 – 4011 9111

**Email:** [cs@starhomeopathy.co](mailto:cs@starhomeopathy.co)

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre- Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT**

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956 has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

### **Change in Auditors**

There have not been any other changes in our auditors in the last three years

### **Capitalisation of Reserves or Profits**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 46 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

### **Revaluation of Assets**

We have not revalued our assets since incorporation.

## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Authority for the Issue**

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on August 25, 2018 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on August 27, 2018 in accordance with the provisions of Section 62(1)(C) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "Main Provisions of the Articles of Association" beginning on page no. 230 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer the chapter titled "Dividend Policy" and "Main Provisions of Article of Association" beginning on page nos. 123 and 230 of this Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page no. 62 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association*" beginning on page no. 230 of this Draft Prospectus.

## **Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

## **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of issue.

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of

equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

### ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

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

Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 3.00 p. m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is

clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### **Minimum Subscription**

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and also that the minimum number of allottees as prescribed in regulation 106R of the SEBI (ICDR) Regulations, 2009, as amended.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled “*Main Provisions of Articles of Association*” beginning on page no. 230 of this Draft Prospectus.

### **New Financial Instruments**

The Issuer Company is not offering any new financial instruments through this Issue.

### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI’s circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the NSE Emerge Platform.



## Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the Emerge Platform of National Stock Exchange of India Limited for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## Market Making

The shares issued through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus.

For further details of the agreement entered into between our Company, The Lead Manager and the Market Maker, please see the chapter titled *"General Information - Details of the Market Making Arrangement for this Issue"* beginning on page no. 44 of this Draft Prospectus.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ["SME Exchange", in this case being the Emerge Platform of National Stock Exchange of India Limited]. For further details regarding the salient features and terms of such this Issue, please see the chapters titled “Terms of the Issue” and “Issue Procedure” beginning on page nos. 176 and 183 respectively, of this Draft Prospectus.

Following is the issue structure:

*Public issue of up to 12,48,000 Equity Shares of ₹ [●] each (the “Equity Shares”) for cash at a price of ₹ [●] per Equity Share (including a Share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs (“the Issue”) by Star Health Sciences India Limited. (“SHSIL” or the “Company” or the “Issuer”).*

*The Issue comprises a reservation of up to 66,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of up to 11,82,000 Equity Shares of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute 31.22% and 29.56%, respectively of the post Issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:*

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Up to 11,82,000 Equity Shares	Up to 66,000 Equity Shares
Percentage of Issue Size available for allocation	94.71% of the Issue Size	5.29% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>[●] Equity Shares</p>	Up to 66,000 Equity Shares
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed up to 11,82,000 Equity Shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹ 2,00,000.</p>	Up to 66,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

**Note:**

- 1) 50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for higher amount Applications.
- 2) In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- 3) Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- 4) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price(in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document"), included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.*

*Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.*

*ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by NSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned NSE website*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.*

## PART A

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the**

details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

## APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

## Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: — Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;

10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

***As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.***

#### **Applications not to be made by**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

#### **Maximum and Minimum Application Size**

##### ***a) For Retail Individual Applicants:***

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

**b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Information for the Applicants**

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

**Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

**Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.



## Applications by Mutual Funds

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

## Applications by Eligible NRIs

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

## Applications by FPI and FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the



Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

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.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

#### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to

reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

## **General Instructions**

### **Do's:**

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;

- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **Payment instructions**

The entire issue price of ₹ [●] per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

#### Electronic Registration of Applications

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN Number
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Issue or Designated Branch, as applicable;
  - Bank Account Number and
  - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 8) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.



- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
- 13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

#### Allocation of Equity Shares

- 1) The Issue is being made through the Fixed Price Process wherein up to 58,000 Equity Shares shall be reserved for the Market Maker. Up to 5,21,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retails Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on November 17, 2017.
- b) For terms of the Underwriting Agreement please see chapter titled "*General Information*" beginning on page no. 39 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.



## Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

## Impersonation

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) 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”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;

- 7) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 8) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 9) Adequate arrangements shall be made to collect all Application Forms and
- 10) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## PART B

### General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may see “*Glossary and Abbreviations*”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Applicants may refer to the Prospectus.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

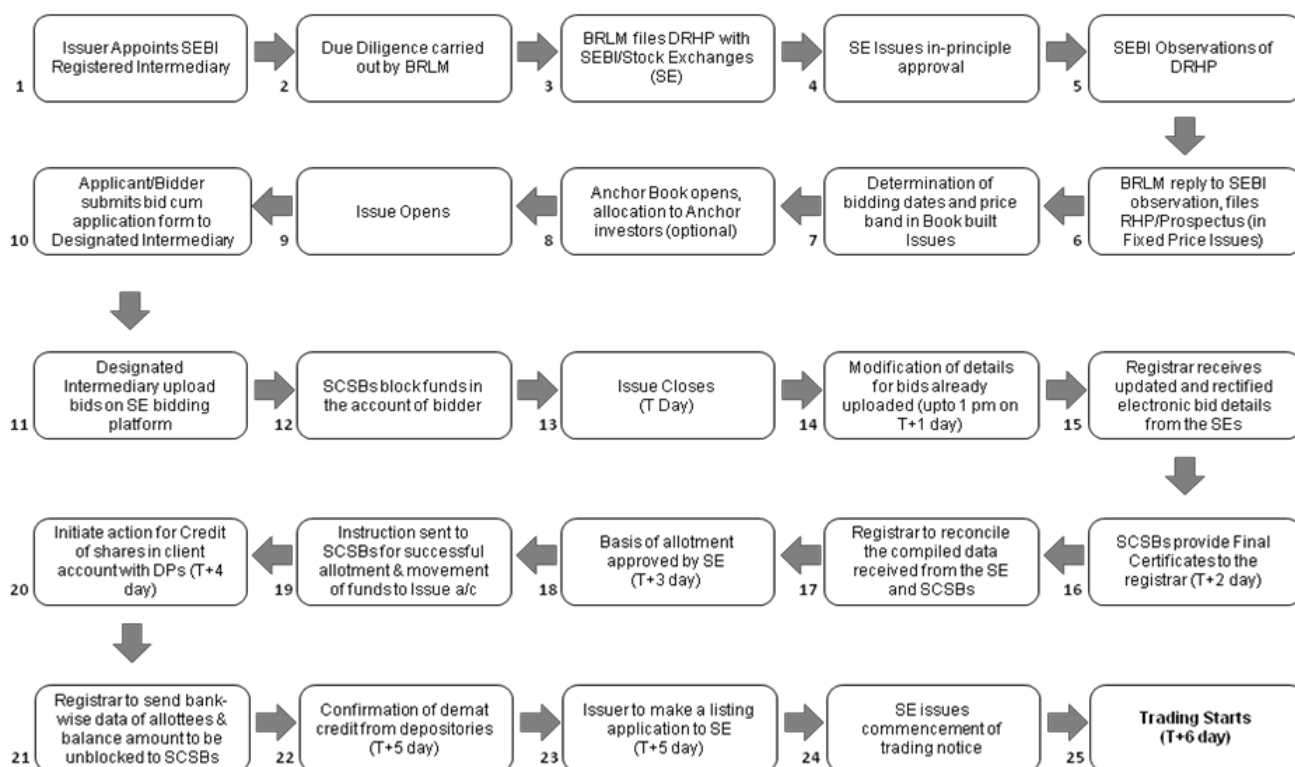
In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7: Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“NIIs”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:



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<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b>
Address : ..... Contact Details: ..... CIN No .....		

LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>BOOK BUILT ISSUE</b> ISIN : .....	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span> Address <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span> Email <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span> Tel. No (with STD code) / Mobile <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH																
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>																		
<b>Bid Options</b> Option 1 (OR) Option 2 (OR) Option 3	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th></th> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td style="text-align: center;">8   7   6   5   4   3   2   1</td> <td style="text-align: center;">3   2   1</td> <td style="text-align: center;">3   2   1</td> <td style="text-align: center;">3   2   1</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>		No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Retail Discount	Net Price	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1				
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	Bid Price	Retail Discount	Net Price															
8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1															
<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB																		

<b>7. PAYMENT DETAILS</b> Amount paid (₹ in figures) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> (₹ in words) <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>	<b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>
ASBA Bank A/c No. <span style="border-bottom: 1px solid black; display: inline-block; width: 200px;"></span> Bank Name & Branch <span style="border-bottom: 1px solid black; display: inline-block; width: 200px;"></span>	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> Date : .....	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) ..... 2) ..... 3) .....	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
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LOGO XYZ LIMITED INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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DPID / CLID	<span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>	PAN of Sole / First Bidder <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>
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Amount paid (₹ in figures) <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> ASBA Bank A/c No. <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>	Bank & Branch <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>	Stamp & Signature of SCSB Branch <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Received from Mr./Ms. <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span> Telephone / Mobile <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> Email <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>		

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;">Option 1</th> <th style="width:10%;">Option 2</th> <th style="width:10%;">Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td><span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span></td> <td><span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span></td> </tr> <tr> <td>Bid Price</td> <td><span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span></td> <td><span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span></td> </tr> <tr> <td>Amount Paid (₹)</td> <td><span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span></td> <td><span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span></td> </tr> <tr> <td colspan="3">           ASBA Bank A/c No. <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>            Bank &amp; Branch <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> </td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares	<span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span>	<span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span>	Bid Price	<span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span>	<span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span>	Amount Paid (₹)	<span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span>	<span style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></span>	ASBA Bank A/c No. <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span> Bank & Branch <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span>			<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">           Stamp &amp; Signature of Broker / SCSB / DP / RTA  <div style="border: 1px solid black; height: 40px; width: 100%;"></div> </td> <td style="width:50%;">           Name of Sole / First Bidder  <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span> </td> </tr> <tr> <td colspan="2" style="text-align: center;"> <b>Acknowledgement Slip for Bidder</b> </td> </tr> <tr> <td colspan="2" style="text-align: right;">           Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> </td> </tr> </table>	Stamp & Signature of Broker / SCSB / DP / RTA <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	Name of Sole / First Bidder <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>	<b>Acknowledgement Slip for Bidder</b>		Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
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#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / APPLICANT

- a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT

- a) PAN (of the sole/first Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 2,00,000.
- b) In case the Bid Amount exceeds ₹ 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
  - 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
  - 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.
- c) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non -repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

##### **4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)**

- a) Bidders may submit the Bid cum Application Form either
  - 1) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - 2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - 3) in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum

Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.



#### **4.1.7.3 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Bid cum Application Form/Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected..

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
  - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - 5) In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.
  - 6) In case of Bids submitted to the DP, the Applicants should contact the relevant DP.
  - 7) Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
  - 1) full name of the sole or First Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;



- 2) name and address of the Designated Intermediary, where the Bid was submitted; or
- 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the offering bank thereof.

For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details : ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px; display: inline-block;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">ISIN : .....</div>
		Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Address <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>

PLEASE CHANGE MY BID												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓/tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓/tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Additional Amount Paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (₹ in words) _____											
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>											
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>											
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.											
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>				<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b>				<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>			
Date : <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>				I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 2) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 3) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>				<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
		PAN of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	
DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
Additional Amount Paid (₹) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		Stamp & Signature of SCSB Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	
Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			

TEAR HERE				
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1 No. of Equity Shares <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> Bid Price <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> Additional Amount Paid (₹) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Option 2 <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span>	Option 3 <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span>	Stamp & Signature of Broker / SCSB / DP / RTA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Name of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>				

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

#### **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

##### 4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Prospectus. However a Prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.
  - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
  - 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

- 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for Applicants**

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.



- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location</li> <li>To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

- a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.

- b) Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.
- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- a) During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Applicants are requested to refer to the Prospectus.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- a) Bids received from various Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.



## 5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in the Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- q) Multiple Bids/Applications as defined in this GID and the Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form..

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

### SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

### SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

## 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (**“Maximum RII Allottees”**). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

## 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

## 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor and the BRLMs, subject to compliance with the following requirements:
  - 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;

- 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
  - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any

other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.



### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;



- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

#### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form

Term	Description
	or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable),the period between the Bid/ Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account

Term	Description
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details, Applicant may refer to the Draft Prospectus

Term	Description
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than L 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes

Term	Description
	Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009

Term	Description
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than L 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than L 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.htm">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.htm</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**



## SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

*These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on August 06, 2018.*

### **Public Company**

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### **Share capital and variation of rights**

4. (i) The Authorised Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.
- (ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made there under, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.
5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:—
- (a) one certificate for all his shares without payment of any charges; or
- b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.  
  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### ***Lien***

12. (i) The company shall have a first and paramount lien—  
  
(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and  
  
(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
  
Provided that no sale shall be made—  
  
(a) unless a sum in respect of which the lien exists is presently payable; or  
  
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
14. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### ***Calls on shares***

- 16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
- (iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.
- 17. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
- 18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 21. The Board—
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

### *Transfer of shares*

22. (i) The Company shall use a Common form of transfer. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
23. The Board may, subject to the right of appeal conferred by section 58 declines to register—
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
24. The Board may decline to recognise any instrument of transfer unless—
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
25. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
 

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

### *Transmission of Shares*

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### ***Forfeiture of Shares***

31. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
32. The notice aforesaid shall—
  - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### *Alteration of Capital*

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.

39. Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) increase its authorised share capital by such amount as it thinks expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

40. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

42. (i) The company in general meeting may, upon the recommendation of the Board resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, Securities Premium Accounts or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause
- (iii), either in or towards—
- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - B. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
43. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### ***Dematerialisation of Securities***

#### **43. (i) For the purpose of this Article:-**

**"Beneficial Owner":** Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

**"Depositories Act":** Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.



**"Depository":** Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

**"Member":** Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

**"Security":** Security shall mean such security as may be specified by SEBI.

(ii) **"Dematerialisation of Securities":** Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) **"Option to hold securities in physical form or with depository":** Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) **"Beneficial Owner may opt out of a Depository":** Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) **"Securities in Depositories to be in fungible form":** All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) **"Rights of depository and beneficial owners":** A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) **"Transfer of securities":** Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) **"Register and Index of beneficial owners":** The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) **"Other matters":** Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

#### *Nomination*

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of

his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

#### ***Buy-Back of Shares***

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### ***General Meetings***

47. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### ***Proceedings at General Meetings***

49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
- (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- (iv) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- (v) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### ***Adjournment of Meeting***

50. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### ***Voting Rights***

51. Subject to any rights or restrictions for the time being attached to any class or classes of shares,
- (a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
53. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
54. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
55. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
56. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
57. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### ***Proxy***

58. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
59. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
60. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### ***Board of Directors***

61. The minimum number of Directors shall be 2 and maximum number of directors shall be 15.

The First Directors of the Company are:

1. RATNAMALA KANDULA
2. RAVINDER REDDY PALLE
3. KONDA MURALI ANKIREDDY
4. AMDA RAMAKRISHNA

62. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

63. The Board may pay all expenses incurred in getting up and registering the company.

64. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

65. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

66. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

67. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### ***Proceedings of the Board***

68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
72. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
73. A committee may elect a Chairperson of its meetings.
74. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
75. (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
76. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
77. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

78. Subject to the provisions of the Act,—  
(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;  
(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
79. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***Managing Director***

80. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
81. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

### *The Seal*

**82.** (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### *Dividends and Reserve*

**83.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**84.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

**85.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**86.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**87.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

**88.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent

**89.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**90.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**91.** No dividend shall bear interest against the company.

92. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

#### ***Accounts***

93. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### ***Winding Up***

94. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
95. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
96. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### ***Indemnity***

97. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### ***Secrecy***

98. A Member shall not be entitled to inspect the company's books without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which may be in the nature of Trade secret, unitary of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the Directors, it will not be expedient in the interest of the members of the Company to communicate to the public.



## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### **A. Material Contracts**

1. Memorandum of Understanding dated August 27, 2018 between our Company and the Lead Manager.
2. Memorandum of Understanding dated August 28, 2018 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated August 27, 2018 between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated August 27, 2018 between our Company, the Lead Manager and Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated [●].
7. Tripartite agreement between the CDSL, our Company and the Registrar dated [●].

#### **B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Star Health Sciences India Limited
3. Resolution of the Board of Directors meeting dated August 25, 2018 authorizing the Issue.
4. Shareholders' resolution passed at the EGM dated August 27, 2018 authorizing the Issue.
5. Auditor's report for Restated Financials dated August 27, 2018 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated August 27, 2018 from our Statutory Auditor.
7. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from NSE vide letter dated [●] to use the name of NSE in this Issue Document for listing of Equity Shares on the Emerge Platform of National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

\_\_\_\_\_

**Dr. Amda Ramakrishna**

Chairman and Managing Director

Sd/-

\_\_\_\_\_

**Mrs. Ratnamala Kandula**

Whole Time Director

Sd/-

\_\_\_\_\_

**Dr. Jagadeesh Induru**

Non Executive Non Independent Director

Sd/-

\_\_\_\_\_

**Dr. Sampath Rao Polineni**

Non Executive Independent Director

Sd/-

\_\_\_\_\_

**Mr. Sudhakar Navath**

Non Executive Independent Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-

\_\_\_\_\_

**Mr. Satyavarapu Syamasundara Rao**

Chief Financial Officer

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Sd/-

\_\_\_\_\_

**Mr. Manish Kumar Shukla**

(Company Secretary & Compliance Officer)

**Date:** August 29, 2018

**Place:** Secunderabad