

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RHP****IN THE NATURE OF ABRIDGED PROSPECTUS – MEMORANDUM CONTAINING SALIENT FEATURES OF THE RHP**

This is an abridged prospectus containing salient features of the Red Herring Prospectus dated June 6, 2017 (“RHP”).

You are encouraged to read greater details available in the RHP.

**THE DOCUMENT CONSISTS OF FOUR PAGES OF APPLICATION FORM ALONG WITH INSTRUCTIONS AND SIX PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

Please ensure that you have read the RHP, this abridged prospectus and the General Information Document for investing in public issues before applying in the Offer. You may obtain a physical copy of the Bid-cum-Application Form and the RHP from Stock Exchanges, members of the Syndicate, Registered Brokers, Collecting Depository Participants (“CDPs”), Collecting Registrar and Share Transfer Agents (“CRTAs”), Registrar to the Offer, Underwriters, Escrow Bank, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”). You may also download the RHP from the websites of the Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively, “Stock Exchanges”) where the Equity Shares are proposed to be listed and Book Running Lead Managers (“BRLMs”) i.e. www.sebi.gov.in; www.bseindia.com; www.nseindia.com; www.axiscapital.co.in; www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm; www.credit-suisse.com/in/IPO/. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

**ERIS LIFESCIENCES LIMITED**

**Registered Office:** 21, New York Tower A, near Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad 380 054, Gujarat, India;

Tel: +91 79 4890 3474 Fax: +91 79 4890 3474;

**Corporate Office:** 7<sup>th</sup> Floor, Commerce House IV, beside Shell Petrol Pump, 100 Feet Road, Prahladnagar, Ahmedabad 380 015, Gujarat, India;

Tel: +91 79 3045 1111 Fax: +91 79 3017 9404; **Contact Person:** Mr. Milind Talegaonkar, Company Secretary and Compliance Officer

**Tel:** +91 79 3045 1182 **Fax:** +91 79 3017 9404; **E-mail:** complianceofficer@erislifesciences.com **Website:** www.eris.co.in; **Corporate Identity Number:** U24232GJ2007PLC049867

**PROMOTERS OF THE COMPANY**

MR. AMIT INDUBHUSHAN BAKSHI, MR. HIMANSHU JAYANTBHAI SHAH, MR. INDERJEET SINGH NEGI, MR. RAJENDRAKUMAR RAMBHAI PATEL AND MR. KAUSHAL KAMLESH SHAH

**OFFER DETAILS, LISTING AND PROCEDURE**

INITIAL PUBLIC OFFERING OF UP TO 28,875,000 EQUITY SHARES (THE “OFFER”) OF FACE VALUE OF ₹ 1 EACH (THE “EQUITY SHARES”) OF ERIS LIFESCIENCES LIMITED (OUR “COMPANY” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●]\* PER EQUITY SHARE (THE “OFFER PRICE”) AGGREGATING UP TO ₹ [●] MILLION THROUGH AN OFFER FOR SALE (THE “OFFER FOR SALE”) OF UP TO 22,344,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY BOTTICELLI (THE “INVESTOR SELLING SHAREHOLDER”), UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. AMIT INDUBHUSHAN BAKSHI, UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. HIMANSHU JAYANTBHAI SHAH, UP TO 1,031,167 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. INDERJEET SINGH NEGI, UP TO 1,031,167 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. RAJENDRAKUMAR RAMBHAI PATEL, UP TO 1,031,167 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. KAUSHAL KAMLESH SHAH (TOGETHER, THE “PROMOTER SELLING SHAREHOLDERS”), UP TO 1,375,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. BHIKHABHAI CHIMANLAL SHAH AND UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. HETAL RASIKLAL SHAH, (COLLECTIVELY, THE “OTHER SELLING SHAREHOLDERS”, TOGETHER WITH THE INVESTOR SELLING SHAREHOLDER AND THE PROMOTER SELLING SHAREHOLDERS, THE “SELLING SHAREHOLDERS”). THE OFFER INCLUDES A RESERVATION OF 150,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”, AGGREGATING UP TO 28,725,000 EQUITY SHARES. THE OFFER AND THE NET OFFER SHALL CONSTITUTE 21% AND 20.89%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON THE BSE AND THE NSE.

THE PRICE BAND, RUPEE AMOUNT OF DISCOUNT, IF ANY TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”) AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE INVESTOR SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE “BRLMs”) AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL GUJARATI EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED GUJARATI NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF AHMEDABAD, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE AND NSE FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

*\*Employee Discount of ₹ [●] to the Offer Price may be offered to Eligible Employees participating in the Employee Reservation Portion*

**PROCEDURE:**

If you wish to know about processes and procedures applicable to public issues, you may request for a copy of the GID from the BRLMs or download it from the websites of the BSE and NSE at www.bseindia.com and www.nseindia.com and the BRLMs at www.axiscapital.co.in, www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm and www.credit-suisse.com/in/IPO/.

**ELIGIBILITY FOR THE OFFER– Regulation 26(2) of SEBI ICDR Regulations**

Whether the Company is compulsorily required to allot at least 75% of the net offer to public, to QIBs – Yes

**INDICATIVE TIMELINE**

<b>Bid/Offer Opening Date *</b>	June 16, 2017	<b>Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds from ASBA Accounts</b>	On or about June 27, 2017
<b>Bid/Offer Closing Date</b>	June 20, 2017	<b>Credit of Equity Shares to demat accounts of Allottees</b>	On or about June 28, 2017
<b>Finalisation of Basis of Allotment with the Designated Stock Exchange</b>	On or about June 23, 2017	<b>Commencement of trading of Equity Shares on the Stock Exchanges</b>	June 29, 2017

*\* Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 16 of RHP and “Internal Risk Factors” on page 7 of this Abridged Prospectus.

**PRICE INFORMATION OF BRLMs<sup>§</sup>**

Issue Name*	Name of Merchant Banker	+/- % change in closing price, [+/- % change in closing benchmark]		
		30 <sup>th</sup> calendar days from listing <sup>#</sup>	90 <sup>th</sup> calendar days from listing <sup>#</sup>	180 <sup>th</sup> calendar days from listing <sup>#</sup>
S Chand And Company Limited	Axis, Credit Suisse	-	-	-
Avenue Supermarts Limited	Axis	+145.08%, [-0.20%]	-	-
BSE Limited	Axis	+17.52%, [+2.55%]	+24.41%, [+6.53%]	-
Varun Beverages Limited	Axis	-7.72%, [-5.17%]	-9.36%, [+3.01%]	+10.60%, [+9.02%]
Endurance Technologies Limited	Axis, Citi	+16.06%, [-6.69%]	+23.78%, [-2.84%]	+73.98%, [+5.55%]
RBL Bank Limited	Axis, Citi	+27.07%, [-2.22%]	+56.98%, [-7.50%]	+107.91%, [+1.26%]
Dilip Buildcon Limited	Axis	+5.11%, [+3.20%]	+1.53%, [-0.57%]	+22.12%, [+2.43%]
Laurus Labs Limited	Citi	+11.44%, [+3.62%]	+23.97%, [+13.03%]	-
L&T Infotech Limited	Citi	-6.39%, [+1.84%]	-12.44%, [+1.97%]	-4.21%, [-1.14%]
Mahanagar Gas Limited	Citi	+20.86%, [+3.72%]	+57.15%, [+5.00%]	+83.71%, [-3.55%]
Dr. Lal Pathlabs Limited	Citi	+32.54%, [-7.49%]	+66.95%, [-2.06%]	+63.13%, [+3.87%]
India Grid Trust	Citi	-	-	-
IRB InvIT Fund	Credit Suisse	-	-	-
TeamLease Services Limited	Credit Suisse	+15.34%, [+7.99%]	+5.38%, [+12.43%]	+35.35%, [+24.31%]
Syngene International Limited	Axis, Credit Suisse	+36.00%, [-7.61%]	+44.90%, [-6.47%]	+57.20%, [-12.70%]

<sup>§</sup>Source: [www.nseindia.com](http://www.nseindia.com) \* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each BRLM, with common issues disclosed once. # Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Names of BRLMs and contact details (telephone and email id) of each BRLM		
<b>Axis Capital Limited</b> Tel: + 91 22 4325 2183 E-mail: eris.ipo@axiscap.in Investor grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in	<b>Citigroup Global Markets India Private Limited</b> Tel: +91 22 6175 9999 E-mail: erislifesciences.ipo@citi.com Investor Grievance E-mail: investors.cgmib@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm	<b>Credit Suisse Securities (India) Private Limited</b> Tel: +91 22 6777 3777 E-mail: list.projectapollo@credit-suisse.com Website: www.credit-suisse.com/in/IPO/ Investor Grievance E-mail: list.igcellmerbnkg@credit-suisse.com
<b>Name of Registrar to the Offer and contact details (telephone and email id)</b>	<b>Link Intime India Private Limited</b> Tel: +91 22 4918 6200; Fax: +91 22 4918 6195 E-mail: eris.ipo@linkintime.co.in; Website: www.linkintime.co.in Investor Grievance Email: www.linkintime.co.in	
<b>Names of Syndicate Members</b>	The BRLMs	
<b>Name of Statutory Auditor</b>	Deloitte Haskins & Sells LLP	
<b>Name of Credit Rating Agency and grading obtained</b>	Not Applicable	
<b>Self-Certified Syndicate Banks</b>		
The list of banks is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>		
<b>Non Syndicate Registered Brokers</b>		
You can submit Bid-cum-Application Forms to Non Syndicate Registered Brokers at the Non Syndicate Broker Centres. For further details, see section “Offer Procedure” beginning on page 292 of the RHP		
<b>Details regarding website address(es)/link(s) from which the investor can obtain list of CRTAs, CDPs and Registered Brokers who can accept application from Investor</b>		
List of CRTAs and CDPs who can accept application from Investor can be obtained from below links as updated from time to time: • <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6">http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6</a> ; • <a href="https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm">https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm</a> List of Registered Brokers who can accept application from Investor can be obtained from below links as updated from time to time: • <a href="http://www.bseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3">http://www.bseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3</a> ; • <a href="http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm">http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm</a> For further details, see section “Offer Procedure” beginning on page 292 of the RHP		

## PROMOTERS OF OUR COMPANY

**Mr. Amit Indubhushan Bakshi**, is the Chairman and Managing Director of our Company. He has passed his Indian School Certificate examination. He has previously worked with companies in the pharmaceutical sector in various capacities\* and has more than 10 years of experience in the pharmaceutical industry. Mr. Amit Indubhushan Bakshi has been recognized as an 'Entrepreneur of the Year, 2013' by Ernst & Young.

**Mr. Himanshu Jayantbhai Shah**, is an executive Director of our Company. He holds a bachelor's degree in science from the Indira Gandhi National Open University. He also holds a diploma in pharmacy from Gujarat University and a diploma in management from the Indira Gandhi National Open University. He has previously worked with companies in the pharmaceutical sector in various capacities\* and has more than 10 years of experience in the pharmaceutical industry.

**Mr. Inderjeet Singh Negi**, is an executive Director of our Company. He holds a bachelor's degree in science from Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal). He has previously worked with Intas Pharmaceuticals Limited as a regional sales manager. He has 13 years of experience in the pharmaceutical industry.

**Mr. Rajendrakumar Rambhai Patel** is the head of procurement at our Company. He holds a bachelor's degree in science from North Gujarat University and a diploma in pharmacy from the Gujarat University. He has previously worked with companies in the pharmaceutical sector\* and has more than 10 years' experience in the pharmaceutical industry. He has been associated with our Company since 2007 as one the directors on the Board. He resigned from the Board on January 5, 2017. He currently is a director on the board of our Subsidiaries, Eris Therapeutics Private Limited and Kinedex Healthcare Private Limited.

**Mr. Kaushal Kamlesh Shah** is the head of manufacturing and distribution at our Company. He holds a bachelor's degree in commerce from the Gujarat University and a post graduate diploma in management from Som-Lalit Institute of Management Studies. He has more than 10 years of experience in the pharmaceutical industry, having also have previously worked with companies in the pharmaceutical sector\*. He has been associated with our Company since 2007 as one the directors on the Board. He resigned from the Board on January 5, 2017. Mr. Kaushal Kamlesh Shah currently is a director on the board of our Subsidiaries, Eris Therapeutics Private Limited and Kinedex Healthcare Private Limited.

\* For further details, refer to 'Our Management' on pages 137-138 of RHP.

We do not have any Group Companies.

## BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

### Overview

We develop, manufacture and commercialize branded pharmaceutical products in select therapeutic areas within the chronic and acute categories of the IPM, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; and anti-infectives. Our focus has been on developing products in the chronic and acute category which are linked to lifestyle related disorders. The chronic category of the IPM contributed 65.6% of our revenues in Fiscal 2017 (Source: IMS TSA MAT, March 2017). We were ranked 20<sup>th</sup> out of 377 domestic and multinational companies present in the chronic category of the IPM, in terms of revenues for Fiscal 2017 (Source: IMS TSA MAT, March 2017). We were the fastest growing company, in the chronic category, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 28.9%, between Fiscals 2013 and 2017 (Source: IMS TSA MAT, March, 2017). We generated 34.4% of our revenues from the acute category of the IPM in Fiscal 2017. Our revenues from the acute category grew at a CAGR of 12.0% between Fiscals 2013 and 2017 (Source: IMS TSA MAT, March 2017).

### Our Competitive Strengths

- Focus on branded prescription based pharmaceutical products catering to lifestyle related disorders
- One of the fastest growing companies in certain high growth therapeutic areas with a portfolio of complementary products
- Portfolio of high volume and leading brands
- Focus on metro cities and class 1 towns in India which have higher incidence of lifestyle disorders and concentration of specialists and super specialists
- Multi-faceted product selection and engagement model leading to growth in prescription for our products
- Strong sales, marketing and distribution capabilities

### Our Strategies

- Consolidate our position in therapeutic areas in which we have significant presence
- Target and enhance our presence in large and high-growth therapeutic areas
- Explore in-licensing and co-development opportunities to leverage our sales, marketing and distribution and manufacturing infrastructure
- Target future patent expiries in India
- Enhance our product line and expand our capabilities through strategic acquisitions

## BOARD OF DIRECTORS

Sl. No.	Name	Designation	Experience including current/past position held in other firms
1.	<b>Mr. Amit Indubhushan Bakshi</b>	Chairman and Managing Director	For details please refer to "Promoters of Our Company" on page 5 of this Abridged Prospectus.
2.	<b>Mr. Himanshu Jayantbhai Shah</b>	Executive Director	For details please refer to "Promoters of Our Company" on page 5 of this Abridged Prospectus.
3.	<b>Mr. Inderjeet Singh Negi</b>	Executive Director	For details please refer to "Promoters of Our Company" on page 5 of this Abridged Prospectus.

**BOARD OF DIRECTORS**

4.	<b>Mr. Rajiv Gulati</b>	Executive Director	Mr. Rajiv Gulati has previously worked with companies in the pharmaceutical sector in various capacities and has more than 30 years of experience in the pharmaceutical industry*.
5.	<b>Ms. Vijaya Sampath</b>	Independent Director	She was Group General Counsel and Company Secretary at Bharti Airtel Limited. At present, she is a senior partner in corporate law practice of Lakshmikumaran and Sridharan, Attorneys and is also an independent director on the boards of various companies.
6.	<b>Dr. Kirit Nanubhai Shelat</b>	Independent Director	He has previously worked as the Commissioner of Rural Development, Industries Commissioner, Commissioner for Employment and Training and Commissioner for Disabled Persons. He was also the chairman of certain public undertakings including Gujarat Agro Industries Corporation and Land Development Corporation*.
7.	<b>Mr. Shardul Suresh Shroff</b>	Independent Director	He is the executive chairman of the Shardul Amarchand Mangaldas & Co. He also serves on the board of directors of various companies, as an independent director, including Ashok Leyland Limited and Hindustan Media Ventures Limited.

\* For further details, refer to 'Our Management' on pages 137-138 of RHP

**OBJECTS OF THE OFFER**

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of up to 28,875,000 Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our shareholders. Listing will also provide a public market for the Equity Shares in India. Accordingly our Company is not required to appoint any monitoring agency.

**Shareholding pattern of the Company as on the date of RHP**

Sl. No.	Particulars	Pre Offer number of shares	% holding of Pre-Offer
1	Promoter and Promoter Group	81,373,000	59.18
2	Public	56,127,000	40.82
	<b>Total</b>	<b>137,500,000</b>	<b>100</b>

**Number of equity shares proposed to be sold by Selling Shareholders**

Sl. No.	Name	Equity Shares offered
1	Mr. Amit Indubhushan Bakshi	687,500
2	Mr. Himanshu Jayantbhai Shah	687,500
3	Mr. Inderjeet Singh Negi	1,031,167
4	Mr. Kaushal Kamlesh Shah	1,031,167
5	Mr. Rajendrakumar Rambhai Patel	1,031,166
6	Botticelli	22,344,000
7	Mr. Bhikhabhai Chimanlal Shah	1,375,000
8	Mr. Hetal Rasiklal Shah	687,500
	<b>Total</b>	<b>28,875,000</b>

**RESTATED AUDITED FINANCIAL STATEMENTS (₹ in million except per share data)**

Standalone	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Revenue from operations (net)	6,883.66	6,054.83	5,479.86	5,204.62	4,170.19
Restated Profits before tax	2,662.26	1,539.26	1,026.08	889.23	904.95
Restated Profit attributable to the shareholders of the company	2,425.65	1,379.69	833.25	651.52	657.96
Equity Share Capital	137.50	1.38	1.38	1.38	1.38
Reserves and Surplus (before revaluation reserve)	5,341.67	3,052.14	2,672.36	1,839.83	1,188.31



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Net worth	5,479.17	3,053.52	2,673.74	1,841.21	1,189.69
Basic/Diluted earnings per share (₹)	17.64	10.03	6.06	4.74	4.79
Return on net worth (%)	44.27%	45.18%	31.16%	35.39%	55.31%
Net asset value per share (₹)*	39.85	22.21	19.45	13.39	8.65
<b>Consolidated</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
Revenue from operations (net)	7,249.57	5,970.21	5,455.58	5,088.22	3,930.64
Restated Profits before tax	2,637.72	1,544.44	1,094.15	983.25	831.39
Restated Profit attributable to the shareholders of the company	2,420.79	1,335.69	892.34	704.19	581.98
Equity Share Capital	137.50	1.38	1.38	1.38	1.38
Reserves and Surplus (before revaluation reserve)	5,261.74	2,991.06	2,655.28	1,763.66	1,059.47
Net worth	5,399.24	2,992.44	2,656.66	1,765.04	1,060.85
Basic/Diluted earnings per share (₹)	17.61	9.71	6.49	5.12	4.23
Return on net worth (%)	44.84%	44.64%	33.59%	39.90%	54.86%
Net asset value per share (₹)*	39.27	21.76	19.32	12.84	7.72

\* After giving effect to the share split and issue of bonus shares.

## INTERNAL RISK FACTORS

Below are the top 10 Risk Factors as per the RHP:-

1. There are outstanding proceedings involving our Company, and certain of our Subsidiaries, Promoters and our Directors and any adverse outcome in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.
2. Criminal proceedings have been initiated against our Promoters and any conviction as a result of such proceedings may affect our business, reputation and results of operations.
3. Any disruption in production at, or shutdown of, our manufacturing facility could adversely affect our business, results of operations and financial condition.
4. Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.
5. We rely on certain third party manufacturers for manufacturing some of our products. In the event the manufacturing facilities of our third party manufacturers cease to be available to us at terms acceptable to us, or we experience problems with, or interruptions at such facilities, our business, results of operations and financial condition may be adversely affected.
6. We have received letters from the Medical Council of India and certain state medical councils in connection with anonymous complaints, which allege that we have provided benefits to several doctors. In the event any of the allegations are found to be true and in violation of applicable regulations and statutes, our reputation, business and results of operations may be adversely affected.
7. Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.
8. Any quality control problems at our manufacturing facility or those of our third party manufacturers may damage our reputation and expose us to litigation or other liabilities, which could adversely affect our results of operations and financial condition.
9. We derive a significant portion of our revenue from the sale of products in certain therapeutic areas and our top mother brand groups account for a significant portion of our total revenue. Our business, results of operations and financial condition may be adversely affected if any of our top mother brand groups or products in our key therapeutic areas do not perform as expected.
10. We rely on our marketing representatives and distributors for the sale and distribution of our products. A decrease in the number of our marketing representatives or termination of our sales arrangements may adversely affect our business, results of operations and financial condition.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company are 18 and amount involved is ₹ 185.55 millions<sup>1</sup>**

<sup>1</sup> Based on the materiality policy adopted by the Board on February 6, 2017, the Board has considered such outstanding litigation (other than criminal proceedings, statutory or regulatory actions and taxation matters) as material, if such proceeding is in excess of 1.00% of our Company's consolidated profit after tax as per the latest annual restated consolidated financial information (i.e. for Fiscal 2017 ₹ 24.21 million ) or any such litigation which is material from the perspective of the Company's business, operations, prospects or reputation.

**B. Brief details of top 5 material outstanding litigations against the Company and amount involved:**

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved (in ₹ million)
1.	Our Company received six demand notices, from the National Pharmaceutical Pricing Authority the first of which was dated February 27, 2017, and subsequent notices were received until March 9, 2017. These alleged that in respect of various formulations of a drug 'Cyblex', we have either overcharged the public or sold such formulations without obtaining price approval, in contravention of the Drugs (Price Control) Order, 2013 ("DPCO") and the Essential Commodities Act, 1955. Following our responses to these notices, the NPPA issued eight show cause notices (including two notices in respect of which no demand notice was issued) requiring us to show cause as to why action should not be taken for such alleged violations of the DPCO and the Essential Commodities Act, 1955. For further details, refer to page 261 of the RHP.	Notices issued by National Pharmaceutical Pricing Authority	Pending	129.03
2.	A complaint dated September 17, 2014 was filed before the CCI, pursuant to which, it directed the initiation of an investigation against Madhya Pradesh Chemist and Druggist Association and certain pharmaceutical companies including our Company, alleging violation of section 3 of the Competition Act on grounds that our Company, along with certain other companies, carried out anticompetitive practices and refused to supply drugs to stockists who did not obtain a 'no objection certificate' from the zonal association of chemist and druggist, Madhya Pradesh. For further details, refer to page 260 of the RHP.	Complaint filed by Madhya Pradesh Chemist and Distribution Federation	Pending	1% to 10% of our average turnover for the three Fiscals ended March 31, 2012, 2013 and 2014
3.	Micro Labs Limited instituted a suit in May 2013 against our Company before the High Court of Madras, seeking permanent injunction on account of alleged infringement by our Company of a specific trademark and passing off thereof. For further details, refer to page 262 of the RHP.	Suit filed by Micro Labs Limited	Pending	Not applicable
4.	Unichem Laboratories Limited instituted a suit dated August 11, 2014 against our Company, Sozin and Morpen Laboratories Limited, before the Bombay High Court, seeking an injunction and damages on account of alleged infringement of a specific trademark. For further details, refer to page 262 of the RHP.	Suit filed by Unichem Laboratories Limited	Pending	An amount of ₹ 0.10 million has been claimed as damages.
5.	Zuventus Healthcare Limited filed a suit for passing off and damages dated March 14, 2017 before the Bombay High Court, praying that our Company be restrained from using, manufacturing, advertising, selling or promoting any pharmaceutical and medicinal preparations under a particular trademark. For further details, refer to page 263 of the RHP.	Suit filed by Zuventus Healthcare Limited	Pending	An amount of ₹ 1.00 million has been claimed as damages.

**C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action:**

There are no actions taken by a statutory/regulatory authority against the Promoters of the Company that are currently outstanding. Further, we do not have any group companies.

**D. Brief details of outstanding criminal proceedings against Promoters:**

An FIR dated June 7, 2014 was filed with the Ellisbridge Police Station, Ahmedabad by an ex-employee of our Company, Mr. Shalin A. Parikh, against our Promoters alleging grievous bodily injury and threat to life under Sections 323, 506(2) and 114 of the Indian Penal Code. Since these offences are non-cognizable in terms of the Indian Penal Code, the Promoters have been granted bail in this regard by the relevant police authority. As on the date of Red Herring Prospectus, no notice or summons have been received in this regard.

**DECLARATION BY THE COMPANY**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in the Red Herring Prospectus are true and correct.

**DECLARATION BY THE SELLING SHAREHOLDERS**

Each of the Selling Shareholders certifies that all statements about or in relation to itself and the Equity Shares offered by it through the Offer for Sale in this Red Herring Prospectus, are true and correct. Each Selling Shareholder assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder in the Red Herring Prospectus.

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