



BROOKS LABORATORIES LIMITED
Corporate Identification Number: L24232HP2002PLC000267

Our Company was originally incorporated as Brooks Laboratories Limited on January 23, 2002 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 24910 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. We received Certificate of Commencement of Business dated February 19, 2002 issued by the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh. There has been no change in the name of our Company since incorporation. *For details of changes in registered office please refer "History and Corporate Structure" on page 49.*

Registered Office: Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India
Tel: +91 1795 236939;

Corporate Office: (Address where books of account and papers are maintained): 502, Kanakia Atrium-2, Andheri Kurla Road, Next to Hotel Courtyard Marriott, Andheri (East), Mumbai – 400093, Maharashtra, India
Tel: +91 22 6193 3100; **Website:** www.brookslabs.net; **E-mail:** cs@brookslabs.net
Contact Person: Jyoti Sancheti, Company Secretary and Compliance Officer

PROMOTERS: MR. ATUL RANCHAL AND MR. RAJESH MAHAJAN

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF UP TO [●]/- EQUITY SHARES WITH A FACE VALUE OF ₹ 10/- EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●]/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹1,900 LAKHS ON RIGHTS BASIS IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES) HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●]. THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE RIGHTS EQUITY SHARES.

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 making an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. **Specific attention of the Investors is invited to the section "Risk Factors" on page 18 before making an investment in the Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED
2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End), Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India.
Tel No: +91 22 4075 1500
Email: compliance@inventuremerchantbanker.com
Investor Grievance Email: redressal@inventuremerchantbanker.com
Website: www.inventuremerchantbanker.com
SEBI Registration No: INM000012003
Contact Person: Arvind Gala

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.
Tel No: + 91 22 4918 6200
Email: brooks.rights@linkintime.co.in
Investor Grievance Email: brooks.rights@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058
Contact Person: Sumeet Deshpande

ISSUE PROGRAMME

ISSUE OPENS ON:	LAST DATE FOR RECEIVING REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSSES ON:
[●]	[●]	[●]

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INDEX

INDEX	3
SECTION I – GENERAL	4
DEFINITIONS AND ABBREVIATIONS	4
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION.....	14
FORWARD-LOOKING STATEMENTS	15
SECTION II - SUMMARY OF THE OFFER DOCUMENT.....	16
SECTION III - RISK FACTORS.....	18
SECTION IV – INTRODUCTION	29
THE ISSUE	29
SUMMARY FINANCIAL INFORMATION.....	30
GENERAL INFORMATION	31
CAPITAL STRUCTURE	36
OBJECTS OF THE ISSUE.....	40
STATEMENT OF TAX BENEFITS.....	45
SECTION IV: ABOUT THE COMPANY	49
HISTORY AND CORPORATE STRUCTURE.....	49
OUR MANAGEMENT	51
SECTION V – FINANCIAL INFORMATION	55
FINANCIAL STATEMENTS	55
STOCK MARKET DATA FOR EQUITY SHARES.....	100
STATEMENT OF ACCOUNTING AND OTHER RATIOS	103
SECTION VI – LEGAL AND OTHER INFORMATION.....	106
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	106
GOVERNMENT AND OTHER APPROVALS	112
OTHER REGULATORY AND STATUTORY DISCLOSURES	116
SECTION VII – ISSUE RELATED INFORMATION	122
TERMS OF THE ISSUE	122
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	156
SECTION IX – OTHER INFORMATION	157
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	157
DECLARATION.....	159

SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Company Related Terms

Term	Description
“Brooks Laboratories Limited”, “BLL” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Brooks Laboratories Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company.
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Annual Audited Financial Statements	Audited financial statements of our Company as at and for the year ended March 31, 2019
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares.
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof.
Financial Statements	Annual Audited Financial Statements for FY 2019 and Interim Audited Financial Statements for three months period ended June 30, 2019.
Limited Review	Limited Reviewed Financial Results for the three months ended on June 30, 2019
Independent Directors	Independent Directors on our Board, and eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “Our Management” beginning on page 51.
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations.
Promoters	Atul Ranchal and Rajesh Mahajan
Registered Office	The registered office of our Company situated at Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India.
Registrar of Companies / RoC	Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh
Statutory Auditor	The Statutory Auditor of our Company, being M/s. S G C O & Co. LLP, Chartered Accountants.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allot / Allotment /Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by

Term	Description
	Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Investor
Application	Application made by the Applicant whether submitted by way of CAF or SAF or in the form of a plain paper, in case of Eligible Equity Shareholders, and by way of a CAF or SAF in case of Renouncees, to subscribe to the Rights Equity Shares at the Issue Price including applications by way of the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the CAF or the plain paper Application by the Applicant for blocking the amount mentioned in the CAF or the plain paper Application
ASBA Applicant(s) / ASBA Investor	Eligible Equity Shareholders who make an application to subscribe to the Issue through ASBA process and who (i) hold Equity Shares in dematerialized form as on the Record Date; (ii) have not renounced their Rights Entitlements in full or in part; and (iii) are not Renouncees
Bankers to the Issue/ Public Issue Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●].
Banker to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Composite Application Form/ CAF(s)	Form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper Application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	This draft letter of offer dated September 12, 2019 filed with SEBI in accordance with the SEBI ICDR Regulations
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●]
Eligible Equity Shareholders	Holder(s) of the Equity Shares as on the Record Date
Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 1,900 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date
Issue Closing Date	[●]
Issue Opening Date	[●]

Term	Description
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ [●] lakhs
Lead Manager	Inventure Merchant Banker Services Private Limited
Letter of Offer	The final letter of offer to be filed with the Stock Exchanges after incorporating observations received from SEBI on this Draft Letter of Offer
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see “ <i>Objects of the Issue</i> ” on page 40
Non-ASBA Investor / Non-ASBA Applicant	Applicants / Investors other than ASBA Applicants / ASBA Investors, who apply in the Issue otherwise than through the ASBA process, comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, to be decided prior to filing of the Letter of Offer
Refund Bank	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
SCSB(s)	Self certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Split Application Form / SAF(s)	An application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s) in relation to the Rights Equity Shares
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter(s)	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical / Industry Related Terms /Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign

Term	Description
	Currency Accounts) Regulations, 2000
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
BE	Bachelor Degree in Engineering
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
BSc	Bachelor Degree in Science
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CENVAT	Central Value Added Tax
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
CIT	Commissioner of Income Tax
CIT(A)	Commissioner of Income Tax (Appeals)
CLRA	Contract Labour (Regulation and Abolition) Act, 1979
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	The Copyright Act, 1957
CS	Company Secretary
CSR	Corporate Social Responsibility
DB	Designated Branch
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECB	External Commercial Borrowings

Term	Description
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Environment Protection Act	Environment Protection Act, 1986
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMC	Forward Market Commission
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors), 2000, as amended from time to time
GDP	Gross Domestic Product
GIA	Gemological Institute of America
GIR Number	General Index Registry Number
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Net worth Individual
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
IMS	IMS Health
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
ISO	International Standards Organization

Term	Description
IT Act	Income Tax Act, 1961 as amended from time to time except as stated otherwise
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules
JV	Joint Venture
KMP	Key Managerial Personnel
KW	Kilo Watt
L/C	Letter of Credit
LIBOR	London interbank offered rate
Ltd.	Limited
MAPIN	Market Participants and Investors' Integrated Database
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Company
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, securities premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of the profit and loss account
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
NIFTY	National Stock Exchange Sensitive Index
No.	Number
NOC	No Objection Certificate
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
BSE	The BSE Limited
NTA	Net Tangible Assets
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
OD	Overdraft
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
p.a.	per annum
P/E Ratio	Price/Earnings Ratio

Term	Description
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
PBT	Profit Before Tax
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, 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.
POA	Power of Attorney
PPP	Public private partnership
Pvt./(P)	Private
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 , as amended from time to time
RERD Act	Real Estate (Regulation and Development) Act, 2016
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra, Mumbai
ROE	Return on Equity
RONW	Return on Net Worth
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	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (VCF) Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
Securities Act	The U.S Securities Act as amended from time to time
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
TRS	Transaction Registration Slip
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America

Term	Description
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f	With effect from
Water Act	Water (Prevention and Control of Pollution) Act, 1974
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

NOTICE TO OVERSEAS SHAREHOLDERS

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

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with SEBI for its observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

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

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (*Securities Act*), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (*United States* or *U.S.*) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (*Regulation S*), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF are being offered in India,

but not in the United States. The offering to which the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Draft Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the Equity Shareholders of our Company and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

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

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Letter of Offer, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Parshva Enterprises Limited.

Use of Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, and set out in ‘*Financial Statements*’ on page 55. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Draft Letter of Offer 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, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

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

Currency and units of presentation

In this Draft Letter of Offer, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry 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 are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Letter of Offer that are not statements of historical facts constitute ‘forward-looking statements’. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Letter of Offer regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Inability to identify or acquire new clients;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*” on page 18.

Forward looking statements reflects views as of the date of this Draft Letter of Offer and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

A. Summary of Business:

We are in the manufacturing and marketing of pharmaceuticals nationally & internationally. We have manufacturing Plants that are EU GMP & ISO 9001:2008 certified. We have recently commissioned a brand new facility at Vadodara (Baroda) for manufacturing of Carbapenems injections. The capacity of the new plant is 20 million vials per annum on single shift basis. We have two manufacturing sites in India.

Unit I – Baddi, Himachal Pradesh

Unit II – Vadodara (Baroda), Gujarat

We are a Pharmaceutical Contract Research & Manufacturing Services company having wide range of products catering to critical care segment in Parental Section like Beta Lactam, General Dry powder Injectables, Ampoules and Liquid vials, Dry Syrups and Tablets etc.

B. Objects of the Issue:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Meeting Additional Working Capital Requirements	[●]
2.	General Corporate Purposes	[●]
3.	To meet Issue Expenses	[●]
	Total	1,900.00

C. Subscription to the Issue by our Promoters and Promoter Group

- The Promoters and members of the Promoter Group of our Company have, vide their letters dated August 12, 2019 ("Subscription Letters") indicated to subscribe to the full extent of their Rights Entitlement including renunciations among themselves;
- The eligible members of our Promoter Group reserve our right, jointly and/or severally, to subscribe for additional Equity Shares in the Rights Issue, including in an event of under-subscription in the Rights Issue, subject to the aggregate shareholding of our Promoters and members of our Promoter Group not exceeding the minimum public shareholding requirements under applicable law.
- The acquisition of Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their rights entitlement, as applicable, or subscription of the unsubscribed portion of the Rights Issue, shall not result in a change of control of the management of the Company.
- The Company is in compliance with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will continue to comply with the minimum public shareholding requirements pursuant to the Rights Issue.

D. Summary of Financial Information:

(₹ in Lakhs)			
Particulars	31.03.19	31.03.18	31.03.17
Share Capital	1,618.64	1,618.64	1,618.64
Net Worth	9959.58	11447.23	12,650.82
Revenue	5,790.77	5714.44	6,496.57
Profit After Tax	(1,480.54)	(1381.28)	166.69
Earning Per Share (Basic & Diluted) (in ₹)	(9.19)	(8.53)	1.03
NAV per Equity Share (in ₹)	61.53	70.72	78.16
Total Borrowings	2,833.27	2517.44	1,290.14

E. Auditor qualifications which have not been given effect to in the Restated Financial Information:

The Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

F. Summary of Outstanding Litigations:

Particulars	Civil cases	Tax cases	Criminal cases	Financial implications to the extent quantifiable (₹ in lakhs)
Litigations against our Company	1	6	3*	1,959.84
Litigations against our Promoters	Nil	Nil	3*	Nil
Litigations against our Directors	Nil	1	3*	0.19
Litigations against our Group Companies	Nil	Nil	Nil	Nil

There are three criminal proceedings pending against our Company, Promoters and Directors, Atul Ranchal and Rajesh Mahajan which are pending before various courts relating to violation of certain of the provisions of the Drugs and Cosmetics Act, 1940 with respect to batches of certain products manufactured by our Company in the past.

For further details *regarding* the same, please refer to the chapter titled ‘*Outstanding Litigations and Material Developments*’ beginning on page 106 of the Draft Letter of Offer.

G. Risk Factors:

Please see ‘*Risk Factors*’ beginning on page 18.

H. Summary of Contingent Liabilities of our Company:

A summary of our contingent liabilities as of March 31, 2019 as provided for in the Financial Statements is set out below:

(₹ in Lakhs)	
Particulars	March 31, 2019
Bank Guarantee	93.22
Disputed Liability in respect of income tax	1,957.21
Contracts remaining to be executed	96.84
EPCG Commitment	443.21
Total	2590.48

I. Summary of Related Party Transactions:

For details of the related party transactions, as reported in the Financial Statements, see “*Financial Statements*” on page 55.

J. Financing Arrangements:

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company, other than in their normal course of business, during the period of six months immediately preceding the date of this Draft Letter of Offer.

K. Issue of equity shares made in last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Letter of Offer.

SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us, the Equity Shares, the industry in which we operate or the regions in which we operate. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue.

This Draft Letter of Offer also contains forward-looking statements, which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see “Forward Looking Statements” on page 15.

Unless otherwise stated, the financial information used in this section is derived from our Company’s audited financial statements as of and for the three months period ended June 30, 2019 and audited financial statements as of and for the year ended March 31, 2019.

INTERNAL RISKS

1. ***There are three criminal proceedings pending against Company, our Promoters and Directors, Atul Ranchal and Rajesh Mahajan whose outcome may have an adverse effect on the business and reputation of our Company.***

There are three criminal proceedings pending against our Company, Promoters and Directors, Atul Ranchal and Rajesh Mahajan which are pending before various courts relating to violation of certain of the provisions of the Drugs and Cosmetics Act, 1940 with respect to batches of certain products manufactured by our Company in the past. Any adverse outcome in these cases could have an adverse impact on the business and reputation of our Company. This proceeding may have an impact on our corporate image, reputation, client relationships. Our business, prospects and reputation could be materially and adversely affected as a result. For details in relation to this matter, refer “*Outstanding Litigation and Material Developments*” beginning on page 106.

2. ***Our Company, certain of our Promoters, Directors and Group Companies are involved in certain legal proceedings, which, if determined adversely, may adversely affect our business, results of operations and prospects.***

Our Company, certain of our Promoters, Directors and Group Companies are involved in certain legal proceedings (including tax and commercial disputes) at different levels of adjudication before various courts, tribunals and appellate authorities. A summary of the proceedings involving our Company, certain of our Promoters, Directors and Group Companies including the aggregate approximate amount involved to the extent ascertainable, is provided below:

Particulars	Civil cases	Tax cases	Financial implications to the extent quantifiable (₹ in lakhs)
Litigations against our Company	1	6	1,959.84
Litigations against our Promoters	Nil	Nil	Nil
Litigations against our Directors	Nil	1	0.19
Litigations against our Group Companies	Nil	Nil	Nil

The amounts claimed in these proceedings have been disclosed to the extent ascertainable. We may incur significant expenses and management time in such legal proceedings. Any adverse ruling in any of the above proceedings or consequent levy of penalties by other statutory authorities may render us / them liable to liabilities / penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely

affect the trading price of our Equity Shares. For further details regarding these legal proceedings, refer ‘*Outstanding Litigation and Material Developments*’ on page 106.

3. ***Our Company, our Promoters, certain of our Directors and erstwhile Key managerial Personnel, were in the past, debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market by SEBI for a period of five years commencing from December 28, 2011.***

In accordance with the directions under ad-interim order dated December 28, 2011 u/s 11(1), 11(4) and 11B of SEBI Act and orders of the whole time member of SEBI dated July 9, 2013 and September 10, 2015 our Company, Mr. Atul Ranchal (our Chairman), Mr. Rajesh Mahajan (our Managing Director), Durga Shankar Maity (our erstwhile Chief Executive Officer), Ketan Shah (our erstwhile Chief Financial Officer) and Parvinder Kaur (our erstwhile Company Secretary) were, for a period of 5 years commencing from December 28, 2011, *inter alia* (a) debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market directly or indirectly; and (b) prohibited from raising any further capital from the securities market, in any manner whatsoever for violating certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) Regulations, 2003 (“PFUTP Regulations”) and SEBI (ICDR) Regulations, 2009 in relation to the initial public offering by our Company.

Further, the adjudicating officer (“AO”) of SEBI *vide* order dated January 12, 2015 had imposed individual penalty on our Company, Mr. Atul Ranchal, Mr. Rajesh Mahajan, Durga Shankar Maity, Ketan Shah and Parvinder Kaur in all aggregating to ₹11.80 crore under Section 15HA/ 15HB of SEBI Act. Each of the aforesaid entities preferred an appeal before the Hon’ble Securities Appellate Tribunal, Mumbai (“Hon’ble SAT”) against the said order of the AO dated January 12, 2015. Considering the fact that though belatedly the project at Vadodara is fully operational and the appellants have already undergone debarment for 5 years and considering the facts of the matter the Hon’ble SAT *vide* its order dated March 21, 2018 modified the said impugned order of the AO dated January 12, 2015 by revising the individual penalty amounts. The revised penalty amounts aggregated to ₹1.30 crore.

Vide the said order dated March 21, 2018 the Hon’ble SAT upheld the decision of the AO that (a) the appellants have indulged in round tripping of funds; (b) failure to disclose material information relating to appointment of an entity for the project work and failure to disclose advance payment of ₹15.30 crore to such entity was in violation of the PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (c) false and misleading statements were made in the RHP and Prospectus relating to the cost of construction in violation of the PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (d) failure to disclose appointment of an entity for supply of plant and machinery and failure to disclose advance payment of ₹13.97 crore made to such entity was in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (e) even after appointing an entity for supply of plant and machinery, false and misleading statements were made in the RHP and Prospectus relating to the purchase of plant and machinery, in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (f) the appellants failed to disclose raising of funds amounting to ₹30.40 crore through ICDs in the RHP and the Prospectus in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (g) false and misleading statements were made in the RHP/Prospectus that the Company has not raised any bridge loan to be repaid from the IPO proceeds in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009. Further, the Hon’ble SAT held that the decision of the AO cannot be sustained that (a) receipt of ₹8.00 crore by way of ICDs from the four connected entities was a fictitious and illusory ICD and hence repayment of ₹8.00 crore to the four connected entities amounts to siphoning of IPO funds; and (b) the appellants have mis-utilized ₹2.50 crore from IPO funds by financing an entity through layer of entities, to trade in the shares of the Company.

The aforesaid appellants have paid the said penalty amount aggregating to ₹1.30 crore to SEBI in April, 2018 in accordance with the directions of Hon’ble SAT *vide* the said order dated March 21, 2018.

Further, please refer “*Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action*” under the section “*Outstanding Litigations And Material Developments*” beginning on page 106 of this Draft Letter of Offer

4. ***There has been a delay in the implementation schedule of the project which was funded through our maiden IPO in August 2011 the proposed public issue. Further there has also been change in the location of plant with respect to what was mentioned in the earlier Prospectus.***

Our Company had raised ₹ 6,300 Lakhs from the IPO in FY 2011-12. The funds were to be utilized for setting up of new plant in JB SEZ, Panoli Gujarat and the project was to be completed by May 2012. However there was delay in implementation of the project and there was also change in the location of the project to Vadodara (Baroda), Gujarat. Our Company had taken the approval of the shareholders for the to vary, amend, modify and/or revise the utilisation of the

proceeds from the IPO vide AGM dated September 25, 2012. The Unit in Vadodara, Gujarat commenced the commercial production in March 2017. The revised cost of implementation of the project is as under.

(₹ in Lakhs)

Sr. No	Particulars	Total Estimated Cost	Actual Cost
1	Land Acquisition	635.00	982.66
2	Building Construction and Miscellaneous	1,220.00	2729.58
3	Plant and Machinery and Utilities	3,094.00	2095.27
4	Long Term Working Capital	500.00	0.00
5	General Corporate Purposes	328.29	163.89
6	Listing Fees	0.96	0.96
7	Issue Expenses	291.75	327.64
	Total	6,300.00	6,300.00

We cannot assure that the Rights Issue proceeds will be utilized in a timely manner and any delay in utilization of proceeds may lead to cost/time overruns and may impact our future profitability.

For further details of delay please refer to the section “Objects of the Issue” beginning on page 40 of this Draft Letter of Offer.

5. We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could result in an adverse effect on our results of operations.


We require various statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control boards (where our manufacturing facilities are located), importer-exporter code, registration and licenses issued under the Factories Act for our various manufacturing facilities, fire safety licenses from municipal fire safety authorities, registration certificates issued under various labour laws, including contract labour registration certificates and licenses as well as various direct and indirect taxation related registrations.

While we will endeavour to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. Our Company has made an application dated March 27, 2018 to the Himachal State Pollution Control Board seeking renewal of consent for operation under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and under section 26 of the Water (Prevention and Control of Pollution) Act, 1974 in relation to the manufacturing facility of our Company at Baddi, District-Solan, Himachal Pradesh.

Further, our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and *inter alia*, restrict certain activities. There can be no assurances that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof.

In future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations. For further information regarding licenses and approvals, refer section “Government and Other Approvals” on page 112.

6. We may be unsuccessful in protecting our intellectual property rights. Unauthorised use of our intellectual property may result in the development of products which compete with our products. We may also be subject to third-party claims of intellectual property infringement.

Our intellectual property rights are important to our business. We rely on copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. Our Corporate logo “ Brooks,” is not registered and we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. For details of our registered trademarks and for applications made for registration of certain trademarks, please refer “Government and other Key Approvals – Intellectual Property” on page 112. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual

property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have an adverse effect on our business.

We also rely on unpatented proprietary know-how, continuing technological innovation and other trade secrets to develop and maintain our competitive position. However, we cannot be certain that the steps we have taken will prevent unauthorised use of our intellectual property. Therefore, our efforts to protect our intellectual property may not be adequate. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of patents, copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert our attention and resources from operating our Company.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Regardless of their merit, infringement and other intellectual property claims are often expensive and time-consuming to litigate. The materialization of any of the foregoing risks could adversely affect our business, results of operations and financial condition.

7. ***Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operation.***

Our Company has to comply with the regulations under the Drug and Cosmetics Act, 1940; Drugs and Cosmetics Act Rules, 1945; The Drugs (Prices Control) Order, 1995, Drugs and Magic Remedies Act, 1954; Patent Regulation etc.. Further, our business operations are subject to strict regulations by environmental regulations, Trade Mark Act, Factories Act, etc. We incur costs to comply with requirements of environmental laws and regulations. Any lapses or non-compliance of any laws or regulations or rules or acts or policies by us may adversely affect our business and / or financial operations.

8. ***Our business and future results of operations also depend, upon our ability to successfully commercialize our R&D efforts by way of cost and time efficiencies or the development of new products.***

To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. The R&D process is often time consuming and cost intensive. Our processes and products currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals or registrations may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and utilize such products or processes. Further, even if we are successful in obtaining approval for such processes or products, such process or product may become subject to litigation by third parties claiming our process infringes on their patent, or may be otherwise unsuccessful in the market place due to the introduction of superior or more cost effective processes or products by competitors. Therefore, our investments in R&D and new product launches could result in higher costs without a proportionate increase in revenues.

9. ***If we fail to accurately project demand for our products, we may encounter problems of inadequate supply or oversupply, which would adversely affect our financial condition and results of operations, as well as damage our goodwill.***

We estimate future demand for our products based on orders received from our customers and our understanding of customer inventory levels. If we overestimate demand in any future periods, we may purchase more raw materials or components than required. If we underestimate demand, our third party suppliers may have inadequate raw material or product component inventories, which could interrupt our manufacturing and delay shipments, and could result in loss of business. If we under-stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could adversely affect our goodwill and results of operations.

10. ***We may be sued for defects in our products and this may harm our reputation and our profits***

Our business (pharmaceutical formulations) inherently exposes us to potential liability. The product liabilities and claims could require us to spend money on litigation, divert our management's time, damage our reputation and affect the marketability of our products.

11. ***Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

(₹ in lacs)

Cash flow from	FY 31.03.19
Operating activities	(504.95)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled 'Financial Information' beginning on page 55, of the Draft Letter of Offer.

12. ***We have not entered into any long-term contracts with any of our customers.***

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

13. ***We have certain contingent liabilities not provided for that may affect our financial condition.***

Our Company has following contingent liabilities not provided for in the books of accounts for the period ended March 31, 2019, under Indian Accounting Standards, which may adversely affect our financial condition.

(₹ in Lacs)

Particulars	March 31, 2019
Bank Guarantee	93.22
Disputed Liability in respect of income tax	1,957.21
Contracts remaining to be executed	96.84
EPCG Commitment	443.21
Total	2590.48

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further details please refer, page 55 of this Draft Letter of Offer.

14. ***Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.***

For the financial year ended March 31, 2019, our top ten largest clients accounted for approximately 67.39% of our revenues from operations. The loss of a significant client or clients would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our income and financial condition.

15. ***Our Company's inability to fulfill export obligations could result in custom duty liability, which in turn could adversely affect our financial operations to that extent.***

Our Company has obtained Advance licenses under EPCG scheme for import of Capital Goods without payment of Import Duty. As on March 31, 2019 the total outstanding EPCG Commitment is ₹ 443.21 Lakhs. In case we fail to fulfill the export obligation within the stipulated period we will be liable to refund the duty saved along with interest @ 15% p.a. from the date of authorization under the scheme, which could adversely affect our financial operations to that extent.

16. ***We face intense competition in our businesses, which may limit our growth and prospects.***

Our Company faces significant competition from other big and small pharma companies. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

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

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

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

We have entered into transactions with our promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please refer to the "Financial Statements" beginning on page 55 of this Letter of Offer.

19. *Our business and profitability could be adversely affected if we fail to keep pace with changing technology and evolving industry standards and norms or fail to enhance existing products and develop and introduce new latest products in a timely manner.*

The markets for our products are characterized by rapidly changing technology, evolving industry standards and norms and new product or molecule introductions. Adaptability is one of the key attributes for success in our industry. Our results of operations and financial condition depend on our ability to develop and introduce new products, as well as our ability to modify and upgrade our existing products. Our success will depend on several factors, including proper identification of market demands and the competitiveness of our products with the products introduced by our competitors. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we provide.

20. *The Active Pharmaceutical Ingredients (APIs) consumed by our Company are susceptible to price volatility. There are no supply agreements for the raw materials required for manufacturing of our products. Fluctuation in the prices of the raw material may have an adverse impact on our business and financial operations.*

The volatility in prices of the major API's viz. Ceftriaxone Sodium, Amoxycillin Trihydrate, Clavulanate Potassium, Cefoperazone, Hydrocortisone Sodium Succinate Pantoprazole etc can fluctuate in future, depending upon, among other factors, the number of producers and their production volumes and changes in demand in the principal drug markets. Price & availability of APIs have significant impact on profitability of our Company and there are factors affecting API prices which are beyond our control. We do not have any agreement with suppliers to supply of raw materials purchased from them. Though we cover purchases to a certain extent in anticipation of any price increases, we are still exposed to and will have to absorb any fluctuations in the prices of APIs, which may adversely affect the financials of our Company.

21. *Our business depends on our manufacturing facility and the loss of or shutdown of operations of the*

manufacturing facilities on any grounds could adversely affect our business or results of operations

Our manufacturing facility is subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Manufacturing of the pharmaceutical formulations requires expensive and delicate machines which is subject to normal wear and tear and therefore require lots of maintenance. Breakdown of any of the machines may also adversely affect our business or results of operations.

22. *Our inability to build and maintain our brand name will adversely affect our business, prospects, financial condition and results of operation.*

Brand recognition is important to the success of our business. Establishing and maintaining our brand name for people relying on our services to look for desired results is critical to the success of the customer acquisition process of our business. No assurance can be given that our brand name will be effective in attracting and growing user and customer base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, prospects, financial condition and results of operations.

23. *We have existing debt facilities and may raise additional debt, which could adversely affect our financial health and our ability to obtain financing in the future and react to changes in our business and increases in interest rates of our borrowings may impact our results of operation.*

As of March 31, 2019, the amount of our total secured borrowings was ₹2833.27 lakhs as per our audited financial statements. This includes secured long term borrowings of ₹1386.39 lakhs and secured short term borrowings of ₹1446.88 lakhs. Our business requires a high amount of working capital to finance operational expenses before payments are received from client. We may incur additional indebtedness in the future. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our businesses. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. If we fail to meet our debt service obligations, our lenders could declare us to be in default under the terms of our borrowings and may accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we would have sufficient resources to repay these borrowings. Accordingly, any such acceleration would have an adverse effect on our cash flows, business, financial condition and results of operation. In addition: (a) our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future; (b) a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes; (c) we will be exposed to the risk of increased interest rates; and (d) our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or be unable to carry out capital spending that is necessary or important to our growth strategy.

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditure, sell assets, seek additional equity capital, or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

Our borrowings carry interest at floating rates or at a fixed rate that is subject to adjustment at specified intervals. We are exposed to interest rate risk as we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. Any such increase in interest expense may have an adverse effect on our business, prospects, financial condition and results of operation. Such instances could adversely affect our business operations, cash flows and financial condition.

24. *Our Promoters have provided personal guarantee for our borrowings to secure our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Director in connection with our Company's borrowings.*

Our Promoters, Mr. Atul Ranchal and Mr. Rajesh Mahajan have provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and

prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Director, in connection with our Company's borrowings.

25. *Our success depends largely on our senior management and skilled employees and our ability to attract and retain them.*

Our success depends on the continued services and performance of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain skilled staff, particularly managers and skilled workers. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in our industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. Moreover, we do not maintain "key man" life insurance policies for senior members of our management team or other key personnel. Any such loss of the services of our senior management personnel or skilled staff could adversely affect our business, prospects, financial condition and results of operation.

26. *Our Promoters, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoters are interested in us to the extent of any transactions entered into or his shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Promoters have given personal guarantees for our borrowings to secure our loans. For further details, please refer "Our Management" on page 51.

27. *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.*

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

28. *Our Company's management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.*

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

29. *Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.*

Our Company has to comply with the regulations under the Drug and Cosmetics Act, 1940; Drugs and Cosmetics Act Rules, 1945; The Drugs (Prices Control) Order, 1995, Drugs and Magic Remedies Act, 1954; Patent Regulation etc.. Further, our business operations are subject to strict regulations by environmental regulations, Trade Mark Act, Factories Act, etc. We incur costs to comply with requirements of above laws and regulations. Many of these approvals require regular renewal. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all.

These permits, licenses and approvals are subject to several conditions, while making initial application and also while applying for renewal of the same. Our Company cannot assure that it shall be able to continuously comply with such conditions as may be stipulated by the statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals, which may result in the interruption of our Company's operations and would have a material adverse effect on the business. For details, please refer Chapter titled "Government and Other Approvals" beginning on page 112 of this Draft Letter of Offer.

30. *We have significant working capital requirements.*

Our business involves significant working capital. We meet our working capital requirements through internal accruals and debt. Any shortfall in our internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

31. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.*

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

32. *The Indian pharmaceutical industry is highly regulated. Any failure to obtain or renew required regulatory approvals or any change in the regulatory environment in relation to manufacturing & marketing our products in India may significantly impact our business and strategy.*

The Indian pharmaceutical industry is highly regulated, including in relation to quality standards and pricing of drugs and intermediates. The research, testing, manufacturing, selling and marketing of pharmaceutical products are subject to extensive regulation by regulatory authorities in India. There is no assurance that the applications exactly filed or to be filled by us with the relevant regulatory authorities will be approved. Further, we may file certain applications for renewal of certain required regulatory approvals, as and when they become due for renewal, in the ordinary course, in respect of our facility at Village Kishanpura, Tehsil Nalagarh, Distt.Solan, H.P. & for our proposed facility at Panoli, Gujarat. There is no assurance that such applications will be approved / renewed by the concerned regulatory authorities in a timely manner or at all.

Further, any adverse change in the regulatory policies in terms of margins or prices of formulations sold would affect our customers' sales and strategy, which would also impact our sales. Further, there is no assurance or guarantee that any government or statutory authority will not ban a formulation manufactured by us. In such an event our business and profitability may be affected.

33. *Certain data mentioned in this Draft Letter of Offer has not been independently verified.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

EXTERNAL RISKS

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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

35. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.*

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws

governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

36. *Investors may have difficulty enforcing foreign judgments against us or our management.*

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (“CPC”) on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

SECTION IV – INTRODUCTION

THE ISSUE

Following table summarises the present Issue in terms of this Draft Letter of Offer:

Particulars	Details of Equity Shares
Rights Equity Shares being offered by our Company	[●] Equity Shares
Rights Entitlement	[●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●]
Record Date	[●]
Face Value per Rights Equity Shares	₹ 10/- per Equity Share
Issue Price per Rights Equity Share	₹ [●] including a premium of ₹ [●] per Rights Equity Share
Equity Shares outstanding prior to the Issue	1,70,36,422 Equity Shares
Issue Size	Issue of up to [●] Equity Shares of face value of ₹[●] each for cash at a price of ₹[●] (including a premium of ₹[●] per Rights Equity Share) per Rights Equity Share for an amount aggregating upto ₹1,900 Lakhs.
Voting Rights and Dividend	The Rights Equity Shares issued pursuant to the issue shall rank <i>pari passu</i> in all respects with the existing Equity Shares of our Company.
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	Please see the chapter titled ' <i>Terms of the Issue</i> ' on page 122 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer " <i>Objects of the Issue</i> " on page 40.
Security Codes for the Equity Shares	ISIN: INE650L01011 BSE: 533543 NSE: BROOKS
Terms of Payment	The full amount is payable on application

The Issue has been authorised by our Board pursuant to a resolution dated June 11, 2019, and was approved by our Equity Shareholders through postal ballot using Postal Ballot Form /Remote Electronic Voting ("e-voting").

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Standalone Financial Statements. Our summary financial information presented below, is in Rupees in Lakhs and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section “*Financial Information*” on page 55.

GENERAL INFORMATION

Our Company was originally incorporated as Brooks Laboratories Limited on January 23, 2002 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 24910 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. We received Certificate of Commencement of Business dated February 19, 2002 issued by the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh.

Company Identification Number	L24232HP2002PLC000267
Registration Number	24910
Address of Registered Office of Company	Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India Tel: +91 1795 236939 Website: www.brookslabs.net ; E-mail: cs@brookslabs.net
Corporate Office of Company (Address where books of account and papers are maintained)	502, Kanakia Atrium-2, Andheri Kurla Road, Next to Hotel Courtyard Marriott, Andheri (East), Mumbai – 400093, Maharashtra, India Tel: +91 22 6193 3100; Website: www.brookslabs.net ; E-mail: cs@brookslabs.net
Address of Registrar of Companies	Registrar of Companies, Punjab, Chandigarh and Himachal Pradesh Corporate Bhawan, Plot No.4 B, Sector 27 B, Madhya Marg, Chandigarh – 160019 Phone: 0172-2639415,2639416 Fax: 0172-2639416
Designated Stock Exchange	BSE Limited

For details of the changes in our name, registered office and other details, please refer “History and Corporate Structure” on page 49.

Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Letter of Offer are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	Atul Ranchal Executive Chairman	01998361	D-2108, Oberoi Splendor, Jogeshwari Vikroli Link Road Opp. Majas Depot, Jogeshwari East, Mumbai 400060, Maharashtra, India
2.	Rajesh Mahajan Managing Director	02000634	3401, B-Wing, Oberoi Exquisite, Aaba Karmakar Road, Oberoi Garden City, Goregaon East, Mumbai – 400063, Maharashtra, India
3.	Suresh Garg Additional Director	08544308	106, Indira Colony, Mantown, Sawaii Madhopur - 322001, Rajasthan, India

Sr. No.	Name and Designation	DIN	Address
4.	Rajnish Kumar Bedi <i>Independent Director</i>	05287369	Tehsil Fatehpur, Khatiar(241) Kangra Khatiar - 176025, Himachal Pradesh, India
5.	Deepak Mahajan <i>Independent Director</i>	06702389	House No. B VII/160, Berian Mohalla, Gurdaspur-143521, Punjab, India
6.	Sonia Gupta <i>Independent Director</i>	06998420	11A, Phase-II, Industrial Area Ramdarbar, Industrial Area, Chandigarh – 160002, India

For detailed profile of our Managing Director and other Directors, please refer “Our Management” on page 51.

Company Secretary and Compliance Officer

Jyoti Sancheti

502, Kanakia Atrium-2, Andheri Kurla Road,
Next to Hotel Courtyard Marriott, Andheri (East),
Mumbai – 400093, Maharashtra, India
Tel: +91 22 6193 3100;
E-mail: cs@brookslabs.net

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue or the Lead Manager for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment, Split Application Forms, Share Certificate(s) or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Rights Equity Shares applied for, amount blocked, where the CAF or the plain paper application, was submitted by the ASBA Investors.

Chief Financial Officer

Anilkumar Pillai

502, Kanakia Atrium-2, Andheri Kurla Road,
Next to Hotel Courtyard Marriott, Andheri (East),
Mumbai – 400093, Maharashtra, India
Tel: +91 22 6193 3100;
E-mail: corporateaccounts@brookslabs.net

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager of the Issue	Registrar to the Issue
Inventure Merchant Banker Services Private Limited 2 nd Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India Tel No.: +91 22 4075 1500; Fax No.: +91 22 4075 1511; Email: compliance@inventuremerchantbanker.com Investor Grievance Email: redressal@inventuremerchantbanker.com	Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. Tel No: + 91 22 4918 6200 Email: brooks.rights@linkintime.co.in Investor Grievance Email: brooks.rights@linkintime.co.in Website: www.linkintime.co.in

Website: www.inventuremerchantbanker.com SEBI Registration No.: INM000012003 Contact Person: Arvind Gala	SEBI Registration Number: INR000004058 Contact Person: Sumeet Deshpande
Banker to the Company	Banker to the Company
Indian Bank IND MSME- MC Branch, Trivedi Tower, 1st Floor, Jawaharlal Nehru Road, Mulund (W), Mumbai - 400 080, Maharashtra Tel No.: +91 22 25928325 Email: msmemcb.mumbai@indianbank.co.in Website: www.indianbank.in Contact Person: Mr. Sagar Guha	Kotak Mahindra Bank Limited #94/56-93/56, Ground Floor, Sai Complex- 2, Opp Baddi Bus Stand, Pinjor Nalagarh Road, Baddi - Himachal Pradesh- 173205 Tel No.: +91 9888433444 Email: ashokkumar.verma@kotak.com Website: www.indianbank.in Contact Person: Mr. Ashok Verma
Legal Advisor to the Issue	Statutory & Peer Review Auditor of the Company
JPS Legal 504, Gold Crest Business Centre, Above Westside, L. T. Road, Borivali (West), Mumbai – 400 092, Maharashtra, India Tel No.: +91 22 2893 7321 Fax No.: +91 22 2893 7321 Email: jimit.shah@jpslegal.co.in	M/s. S G C O & Co. LLP, 4A, Kaledonia, 2 nd Floor, Sahar Road, Near Andheri Station, Andheri East, Mumbai – 400 069 Maharashtra, India Tel No.: +91 22 6625 6364 Email: info@sgco.co.in Contact Person: CA Suresh Murarka Membership No: 44739 Firm Registration No: 112081W/W100184
Banker to the Issue/ Sponsor Bank	
[●]	

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non-ASBA process, see “*Terms of the Issue*” on page 122.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Issue Schedule:

Issue Opening Date: [●]

Last date for receiving requests for SAFs: [●]

Issue Closing Date: [●]

Date of Allotment (on or about): [●]

Date of credit (on or about): [●]

Date of listing (on or about): [●]

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date.

Credit Rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

Statement of Responsibility of the Lead Manager/Statement of inter se allocation of responsibilities

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Issue, a statement of *inter se* allocation of responsibilities amongst Lead Manager is not required.

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is less than ₹ 1,000 Lakh, our Company is not required to comply with the provisions of the SEBI ICDR Regulations including the provisions relating to appointment of monitoring agency.

Appraising Agency

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

Underwriting

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

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.* 15 days after the Issue Closing Date) or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Filing of the Offer Document

This Draft Letter of Offer has been filed with SEBI for its observations, at SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI, and with the Stock Exchanges. After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges simultaneously with the filing of the Letter of Offer with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations.

CAPITAL STRUCTURE

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

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	2,50,00,000 Equity Shares of face value of ₹10.00 each	2,500.00	-
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,70,36,422 Equity Shares of ₹10.00 each	1,703.64	-
C.	Present Issue in terms of this Draft Letter of Offer		
	Issue of [●] Equity Shares for cash at a price of ₹[●] per Equity Share	[●]	[●]
D.	Issued, Subscribed and Paid-up Share Capital after the Issue		
	[●] Equity Shares of face value of ₹10.00 each	[●]	-
E.	Securities Premium Account		
	Before the Issue	6,068.15	
	After the Issue	[●]	

The Issue has been authorised by our Board pursuant to a resolution dated June 11, 2019 pursuant to Section 62 of the Companies Act, 2013 and was approved by our Equity Shareholders through postal ballot using Postal Ballot Form /Remote Electronic Voting (“e-voting”).

Notes to the Capital Structure:

- Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.
- Shareholding of Promoters and Promoter Group:**

The details of specified securities held by the Promoters and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as on the date of this Letter of Offer are set forth hereunder:

Sr. No.	Name of the Promoters & Promoter Group	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
1	Atul Ranchal	4113071	24.14	0	0.00	0	0.00
2	Rajesh Mahajan	3493151	20.50	0	0.00	0	0.00
3	Manmohan Lal Mahajan	491400	2.88	0	0.00	0	0.00
4	Rajni Ranchal	541360	3.18	0	0.00	541360	3.22

5	Aryan Mahajan	526240	3.09	0	0.00	526240	3.13
6	Erwin Mahajan	302400	1.78	0	0.00	0	0.00
7	Saras Gupta	505547	2.97	0	0.00	505547	3.00
8	Savvy Ranchal	439300	2.58	0	0.00	439300	2.61
9	Selina Ranchal	226800	1.33	0	0.00	0	0.00
10	Davinder Kumari	22680	0.13	0	0.00	0	0.00
	Total	10661949	62.58	0	0.00	2012447	11.96

4. No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of the Draft Letter of Offer except as disclosed below:

Sr. No.	Name of the Promoters & Promoter Group	No. of Equity Shares Acquired @₹ 95.50 per Share	Mode of Acquisition*	Date of Acquisition
1	Rajni Ranchal	2,12,500	Conversion of warrants	July 9, 2019
2	Aryan Mahajan	2,12,500	Conversion of warrants	July 9, 2019
3	Saras Gupta	2,12,500	Conversion of warrants	July 26, 2019
4	Savvy Ranchal	2,12,500	Conversion of warrants	July 9, 2019

5. Intention and extent of participation in the Issue by the Promoters and Promoter Group

- The Promoters and members of the Promoter Group of our Company have, vide their letters dated August 12, 2019 ("Subscription Letters") indicated to subscribe to the full extent of their Rights Entitlement including renunciations among themselves;
 - The eligible members of our Promoter Group reserve our right, jointly and/or severally, to subscribe for additional Equity Shares in the Rights Issue, including in an event of under-subscription in the Rights Issue, subject to the aggregate shareholding of our Promoters and members of our Promoter Group not exceeding the minimum public shareholding requirements under applicable law.
 - The acquisition of Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their rights entitlement, as applicable, or subscription of the unsubscribed portion of the Rights Issue, shall not result in a change of control of the management of the Company.
 - The Company is in compliance with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will continue to comply with the minimum public shareholding requirements pursuant to the Rights Issue.
6. All the Equity Shares of our Company are fully paid-up as on the date of this Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.
7. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].

8. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on September 6, 2019 is as under:

Table I - Summary Statement holding of specified securities

Category y	Category of shareholder	Nos. of sharehol ders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underly ng Deposito ry Receipts	Total nos. shares held	Sharehold ing as a % of total no. of shares (calculate d as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstandin g convertible securities (including Warrants)	Shareholdin g , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialis ed form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	10	10661949	0	0	10661949	62.58	10661949	0	10661949	62.58			2012447	11.81	0	0	10661949
(B)	Public	11550	6374473	0	0	6374473	37.42	6374473	0	6374473	37.42			0	0.00	NA	NA	6372473
(C)	Non Promoter - Non Public				0				0						0.00	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00			0	0.00	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00			0	0.00	NA	NA	0
	Total	11560	17036422	0	0	17036422	100.00	17036422	0	17036422	100.00			2012447	11.81	0	0	17034422

9. The details of the shareholders holding more than 1% of the share capital of the Company as on September 6, 2019 are as under:

Sr. No.	Name of the Shareholder	No. of Equity Shares held	% of total share capital
1	Atul Ranchal	4113071	24.14
2	Rajesh Mahajan	3493151	20.50
3	Manmohan Lal Mahajan	491400	2.88
4	Rajni Ranchal	541360	3.18
5	Aryan Mahajan	526240	3.09
6	Erwin Mahajan	302400	1.78
7	Saras Gupta	505547	2.97
8	Savvy Ranchal	439300	2.58
9	Selina Ranchal	226800	1.33
10	Guttikonda Vara Lakshmi	281792	1.65

OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

1. Meeting Additional Working Capital Requirements
2. General Corporate Purposes

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 49.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

S. No.	Particulars	Amount (₹ in lakhs)
1	Gross Proceeds of the Issue	1,900.00
2	Issue Expenses	[●]
3	Net Proceeds of the Issue (excluding the Issue Expenses) (“Net Proceeds”)	[●]

Utilization of Net Proceeds and Means of Finance

The proposed utilisation of the Net Proceeds is set forth below:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Meeting Additional Working Capital Requirements	[●]
2.	General Corporate Purposes	[●]
	Total	[●]

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. 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 Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of this Draft Letter of Offer.

Our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may

have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 18.

Details of Use of Net Issue Proceeds:

1. Meeting additional working capital requirements

We will need additional working capital for the growth of our business. The aim of our working capital management is to ensure that we are able to continue our operations, increase our capacity utilisation and have sufficient cash flow to satisfy both maturing short-term debt and upcoming operational expenses. Further, working capital will also be required for increasing the capacity utilisation of our Vadodara Plant and maintain our inventory levels. We have estimated our additional working capital requirements for FY 2020 and FY 2021 which will be funded through the proposed rights issue. The working capital will be primarily used for expanding our business operations. Our Company proposes to meet the incremental requirement to the extent of ₹[●] Lakhs for the FY 2020 and ₹[●] Lakhs for the FY 2021 from the Net Proceeds of the Issue. The details of estimation of working capital are as mentioned below:

(₹ lakhs)

Particulars	31-Mar-18		31-Mar-19		31-Mar-20		31-Mar-21	
	Actuals	No. of Days	Actuals	No. of Days	Estimated	No. of Days	Projected	No. of Days
Current Assets								
Trade Receivables	1018.24	65.31	1,141.70	75.73	2,819.18	125.49	3,357.53	117.84
Inventories	1140.91	73.18	1005.34	66.68	1,495.02	66.55	1,795.12	63.00
Other Current Assets	713.86		702.47		1,131.63		1,581.53	
Total	2,873.01		2,849.51		5,445.83		6,734.18	
Current Liabilities								
Trade payables	2664.55	238.10	2713.94	244.15	2,333.12	123.67	2,846.94	123.41
Other Current Liabilities	529.1		585.29		564.68		595.78	
Total	3,193.65		3,299.23		2,897.80		3,442.72	
Working Capital Gap	-320.64		-449.72		2,548.03		3,291.46	
Less: Existing Bank Borrowings	854.44		1446.88		1,700.00		1,700.00	
Net Working Capital Requirement	-1,175.08		-1,896.60		848.03		1,591.46	
Proposed Working Capital to be funded from Right Issue					[●]		[●]	
Funded through Internal Accruals and Unsecured Loans	-1,175.08		-1,896.60		[●]		[●]	

Justification (FY 2019-20):

Trade Receivables	We expect Debtors Holding days to be at appx. 125 Days for Fiscal 2019-20 and appx. 117.84 days Fiscal 2020-21 based on increased business and increased business from our new Vadodara plant.
Inventories	We expect our inventory holding period to be more or less similar as that of previous years i.e. approx. 66.55 Days for Fiscal 2019-20 and appx. 63 days Fiscal 2020-21.
Trade Payables	During FY 2018 and FY 2019 we had losses and inadequate working capital where we were not able to pay off our creditors in time and were having the average payment period of approx. 238 and 244 days for FY 2018 and FY 2019 respectively. With the infusion of further working capital we expect Creditors payments days to be appx. 124 Days for Fiscal 2019-20 and 123.41 Days for FY 2019-20 and FY 2020-21.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹[●] lakhs. The expenses of this Issue include, among others, lead management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

(₹lakhs)			
Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses, distribution and postage	[●]	[●]	[●]
Regulatory and other expenses including Listing Fee	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Schedule of implementation

The entire amount of Working capital and General Corporate purposes will be utilized during FY 2019-20 and FY 2020-2021.

Deployment of Funds in the Project: Our Company has not incurred any expenditure on the project till August 31, 2019.

Details of balance fund deployment

(₹ in Lakhs)					
Sr. No.	Particulars	Expenses Already Incurred till August 31, 2019	FY 2019-20	FY 2020-21	Total
1.	Meeting Additional Working Capital Requirements	0.00	[●]	[●]	[●]
2.	Issue Expenses	0.00	[●]	[●]	[●]
	Total	0.00	[●]	[●]	[●]

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Draft Letter of Offer, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

As this is an Issue for an amount less than ₹ 10,000 Lakh, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized 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 and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Draft Letter of Offer, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

Key Industry Regulations for the Proposed Objects of the Issue

The Key Industry Regulations for the proposed Objects of the Issue are not different from the existing business of our Company.

STATEMENT OF TAX BENEFITS

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

To,
The Board of Directors
Brooks Laboratories Limited
502, Kanakia Atrium-2,
Andheri Kurla Road, Andheri (East),
Mumbai – 400093, Maharashtra

Dear Sirs,

Sub: Statement of possible Special Tax Benefits (“the Statement”), as required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”), available in connection with proposed Rights Issue of Equity Shares (the “Rights Issue”) of Brooks Laboratories Limited (the “Company”)

We refer to the proposed Rights Issue by the Company. We enclose herewith the Statement showing the current positions of special tax benefits available to the Company, and its shareholders as per the provisions of Income-tax Act, 1961 as applicable to financial year 2019-20. Several of these benefits are dependent on the Company, or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

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

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

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

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed Rights issue which the Company intends to submit to the Securities and Exchange Board of India (SEBI), and other required regulators if any, provided, that the below statement of limitation is included in the Offer Documents.

LIMITATIONS

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in this Draft Letter of Offer / Letter of Offer in connection with the proposed Rights issue and is not to be used, referred to or distributed for any other purpose without our written consent.

For M/s. S G C O & Co. LLP
Chartered Accountants

CA Suresh Murarka
Partner
Membership No: 44739
Firm Registration No: 112081W/W100184
Date: September 10, 2019
Place: Mumbai

Annexure

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

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2019-20.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

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

Annexure

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

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2019-20.

C. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Company is not entitled to any special tax benefits under the Act.

D. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

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

SECTION IV: ABOUT THE COMPANY

HISTORY AND CORPORATE STRUCTURE

Brief History of our Company

Our Company was originally incorporated as Brooks Laboratories Limited on January 23, 2002 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 24910 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. We received Certificate of Commencement of Business dated February 19, 2002 issued by the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh. There has been no change in the name of our Company since incorporation.

Business Overview

We are in the manufacturing and marketing of pharmaceuticals nationally & internationally. We have manufacturing Plants that are EU GMP & ISO 9001:2008 certified. We have recently commissioned a brand new facility at Vadodara (Baroda) for manufacturing of Carbapenems injections. The capacity of the new plant is 20 million vials per annum on single shift basis. We have two manufacturing sites in India.

Unit I – Baddi, Himachal Pradesh

Unit II – Vadodara (Baroda), Gujarat

We are a Pharmaceutical Contract Research & Manufacturing Services company having wide range of products catering to critical care segment in Parental Section like Beta Lactam, General Dry powder Injectables, Ampoules and Liquid vials, Dry Syrups and Tablets etc. Our products range include:

- Liquid Injection
- Dry Powder Injection
- Carbapenem Dry Powder Injectables
- Tablets
- Oral Suspension

We are a Research & Development driven Pharmaceutical manufacturing company. We have a team of qualified professionals who are constantly working to stabilize new molecules in niche segments, thus serving our customers with stable latest products.

Changes in our Registered Office:

As on the date of this Draft Letter of Offer, our Registered Office is located at Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India, India. There have been following changes in the address of the registered office of our Company:

Address from	Address to	Effective Date	Reason for Change
F-94, Industrial Area, Phase 7, Mohali Dist, Ropar, Punjab	G-101, Ivory Tower, Sector 70, Mohali, Punjab India	March 01, 2008	For administrative convenience
F-94, Industrial Area, Phase 7, Mohali Dist, Ropar, Punjab to G-101, Ivory Tower, Sector 70, Mohali, Punjab India	Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India	August 22, 2019	For administrative convenience

Major events of our Company

Some of the key events post our IPO in August 2011 are set forth below:

Financial Year	Event
2016-17	Commencement of production at our new unit (Unit II) at Vadodara
2017-18	Grant of EUGMP Certification for our unit (Unit II) at Vadodara
2018-19	Issue of warrants to the Promoter Group of the Company.
2019-20	Conversion of Warrants into Equity

Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

Clause	Particulars
III(A) (1)	To carry on the business of manufactures, importers, exporters, trading, agency and dealers, marketing in all kinds and any types of pharmaceuticals, bulk drugs, medical, chemical, industrial and other preparations and articles, healthcare systems, compounds, drugs, latex, surgical and scientific apparatus, magnetic equipments, materials, Animal & Poultry Feed Supplements.
III(A) (2)	To carry on the business of manufacturing, import, export, traders and as dealers in all kinds of medicines, pharmaceutical product, chemicals, drugs, cosmetics, scents, additives.
III(A) (3)	To take and give franchise rights regarding trading, marketing and promotion of pharmaceutical products and medicines, and to appoint, stockists, super distributors and distributors, consignee agents, C&F Agents thereof.

The main object as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than 3 (three) directors and not more than 15 (fifteen) directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 6 (six) Directors on our Board.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, Designation, Occupation, Term, DIN and Nationality	Date of last appointment / re-appointment and term	Other Directorships
Name: Atul Ranchal Father's Name: Ram Pratap Ranchal Age: 51 years Designation: Executive Chairman Address: D-2108, Oberoi Splendor, Jogeshwari Vikroli Link Road Opp. Majas Depot, Jogeshwari East, Mumbai 400060, Maharashtra, India Occupation: Business DIN: 01998361 Nationality: Indian	Appointed as Chairman and Executive Director for a period of 5 years w.e.f. November 1, 2015.	<i>Companies</i> <ul style="list-style-type: none">• Nil <i>LLP</i> <ul style="list-style-type: none">• Nil
Name: Rajesh Mahajan Father's Name: Manmohan Lal Mahajan Age: 50 years Designation: Managing Director Address: 3401, B-Wing, Oberoi Exquisite, Aaba Karmakar Road, Oberoi Garden City, Goregaon East, Mumbai – 400063, Maharashtra, India Occupation: Business DIN: 02000634 Nationality: Indian	Appointed as Managing Director for a period of 5 years w.e.f. November 1, 2015.	<i>Companies</i> <ul style="list-style-type: none">• Nil <i>LLP</i> <ul style="list-style-type: none">• Nil
Name: Suresh Garg Father's Name: Suraj Mal Garg Date of Birth: February 26, 1977 Age: 42 years	Appointed as additional director on August 26, 2019. Appointment to be confirmed and to be appointed as Whole-time Director in the AGM to be held on September 25, 2019 w.e.f. September 25, 2019 for the period of 5 years.	<i>Companies</i> <ul style="list-style-type: none">• Nil <i>LLP</i> <ul style="list-style-type: none">• Nil

Designation: Executive Director Address: 106, Indira Colony, Mantown, Sawaii Madhopur - 322001, Rajasthan, India Occupation: Service DIN: 08544308 Nationality: Indian		
Name: Rajnish Kumar Bedi Father's Name: Rattan Chand Age: 50 years Designation: Non Executive and Independent Director Address: Tehsil Fatehpur, Khatiar(241) Kangra Khatiar -176025, Himachal Pradesh, India Occupation: Business DIN: 05287369 Nationality: Indian	Re-appointed for a second term of five consecutive years with effect from August 8, 2019.	<i>Companies</i> <ul style="list-style-type: none">• Nil <i>LLP</i> <ul style="list-style-type: none">• Nil
Name: Deepak Mahajan Father's Name: Shiv Kumar Mahajan Age: 49 years Designation: Non Executive and Independent Director Address: House No. B VII/160, Berian Mohalla, Gurdaspur- 143521, Punjab, India Occupation: Service DIN: 06702389 Nationality: Indian	Re-appointed for a second term of five consecutive years with effect from August 8, 2019.	<i>Companies</i> <ul style="list-style-type: none">• Nil <i>LLP</i> <ul style="list-style-type: none">• Nil
Name: Sonia Gupta Father's Name: Manohar Lal Mahajan Age: 38 years Designation: Non Executive and Independent Director	Re-appointed for a second term of five consecutive years with effect from September 30, 2019	<i>Companies</i> <ul style="list-style-type: none">• Nil <i>LLP</i> <ul style="list-style-type: none">• Nil

Address: 11A, Phase-II, Industrial Area Ramdarbar, Industrial Area, Chandigarh – 160002, India Occupation: Service DIN: 06998420 Nationality: Indian		
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Relationship between our Directors and our Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of the Key Managerial Personnel:

Further Confirmations:

- 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 categorized or are on the RBI List of wilful defaulters.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.
- Other than as mentioned below none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Our Company, our Promoters, certain of our Directors and erstwhile Key managerial Personnel, were in the past, debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market by SEBI for a period of five years commencing from December 28, 2011. In accordance with the directions under ad-interim order dated December 28, 2011 u/s 11(1), 11(4) and 11B of SEBI Act and orders of the whole time member of SEBI dated July 9, 2013 and September 10, 2015 our Company, Mr. Atul Ranchal (our Chairman), Mr. Rajesh Mahajan (our Managing Director), Durga Shankar Maity (our erstwhile Chief Executive Officer), Ketan Shah (our erstwhile Chief Financial Officer) and Parvinder Kaur (our erstwhile Company Secretary) were, for a period of 5 years commencing from December 28, 2011, inter alia (a) debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market directly or indirectly; and (b) prohibited from raising any further capital from the securities market, in any manner whatsoever for violating certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) Regulations, 2003 (“PFUTP Regulations”) and SEBI (ICDR) Regulations, 2009 in relation to the initial public offering by our Company.

Further, the adjudicating officer (“AO”) of SEBI vide order dated January 12, 2015 had imposed individual penalty on our Company, Mr. Atul Ranchal, Mr. Rajesh Mahajan, Durga Shankar Maity, Ketan Shah and Parvinder Kaur in all aggregating to ₹11.80 crore under Section 15HA/ 15HB of SEBI Act. Each of the aforesaid entities preferred an appeal before the Hon’ble Securities Appellate Tribunal, Mumbai (“Hon’ble SAT”) against the said order of the AO dated January 12, 2015. Considering the fact that though belatedly the project at Vadodara is fully operational and the appellants have already undergone debarment for 5 years and considering the facts of the matter the Hon’ble SAT vide its order dated March 21,

2018 modified the said impugned order of the AO dated January 12, 2015 by revising the individual penalty amounts. The revised penalty amounts aggregated to ₹1.30 crore.

The aforesaid appellants have paid the said penalty amount aggregating to ₹1.30 crore to SEBI in April, 2018 in accordance with the directions of Hon'ble SAT vide the said order dated March 21, 2018.

Further, please refer “*Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action*” under the section “*Outstanding Litigations And Material Developments*” beginning on page 106 of this Draft Letter of Offer

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

Particulars	Page No.
Limited Reviewed Financial Results for the three months ended on June 30, 2019	56
Audited Financial Statements for the financial year ended March 31, 2019	59

SGCO & Co. LLP

Chartered Accountants

Limited Review Report on Unaudited Quarterly Financial Results of Brooks Laboratories Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To The Board of Directors of

Brooks Laboratories Limited

1. We have reviewed the accompanying Statement of unaudited financial results of **Brooks Laboratories Limited** (The "Company"), for the quarter ended 30th June, 2019. ("the Statement").

This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("the Listing Regulations") Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SGCO & Co. LLP

Chartered Accountants

Firm Registration No. 112081W/W100184


Suresh Murarka

Partner



Mem No.: 044739

UDIN:19044739AAAAEG2205

Place: Mumbai

Date : 14th August 2019

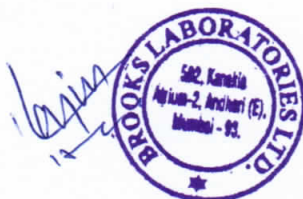
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Unaudited Financial Results for the Quarter ended 30th June, 2019

(Rs. In Lakhs)

No	Particulars	Quarter Ended			Year Ended
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
		Unaudited	Audited (Refer Note 4)	Unaudited	Audited
1	Income				
	(a) Revenue from operations	1,682.18	1,515.56	1,067.33	5,503.01
	(b) Other Income	6.88	245.60	31.26	287.76
	Total income	1,689.06	1,761.16	1,098.59	5,790.78
2	Expenses				
	(a) Cost of materials consumed	1,026.92	1,282.01	781.64	4,057.22
	(b) Change in inventories of finished goods, work-in-progress and stock-in-trade	78.00	(158.15)	70.00	(113.62)
	(c) Employees benefits expenses	318.20	360.60	270.41	1,216.43
	(d) Finance Costs	82.82	72.29	69.52	296.26
	(e) Depreciation and amortization expenses	157.21	160.61	162.93	649.96
	(f) Other expenses	271.60	273.66	306.07	1,179.31
	Total Expenses	1,934.75	1,991.02	1,660.57	7,285.56
3	Profit/(Loss) before exceptional items and tax	(245.69)	(229.86)	(561.98)	(1,494.78)
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) from ordinary activities before tax	(245.69)	(229.86)	(561.98)	(1,494.78)
6	Tax Expense:				
	Current Tax	-	-	-	-
	Deferred Tax Liability / (Assets) (Refer Note no.8)	127.72	464.38	(190.59)	(14.48)
	Short income tax provision for earlier years	-	-	-	0.23
7	Net Profit/(loss) after tax	(373.41)	(694.24)	(371.39)	(1,480.53)
8	Other Comprehensive Income				
	Items That will not be reclassified into Profit or loss				
	Actuarial loss on Defined Benefit plans (net of tax).	(2.46)	(7.72)	0.20	(7.11)
9	Total Comprehensive income for the period (After tax)	(375.86)	(701.96)	(371.19)	(1,487.63)
10	Paid - up equity share capital of Rs.10 each	1,618.64	1,618.64	1,618.64	1,618.64
11	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	9,828.59	-	9,828.59
12	Earnings per share of Rs.10/- each (not annualised):				
	(a) Basic	(2.31)	(4.29)	(2.29)	(9.15)
	(b) Diluted	(2.31)	(4.29)	(2.29)	(9.15)



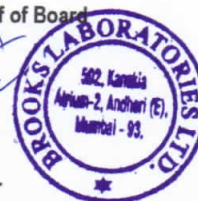
Notes:

- 1 The above audited financial results of the Company for quarter ended 30th June, 2019 have been reviewed and recommended by the Audit Committee and approved and taken on record by the Board of Directors in their respective meetings held on 14th August, 2019
- 2 The financial results have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- 3 The Company is mainly engaged in the business of "Pharmaceutical Formulations" and there is no other reportable business segment. As the Company's business actually falls within a single primary business segment, the disclosure requirements of Ind-AS – 108 in this regard are not applicable.
- 4 The figures of the last quarter ended March 31, 2019 are the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the financial year.
- 5 Comparative financial information of the previous quarter and financial year have been regrouped and reclassified, wherever necessary, to correspond to the figures of the current period presentation.

Place : Mumbai
Date : 14th August 2019

For and on Behalf of Board


Rajesh Mahajan
Din : 02000634
Managing Director



Brooks Laboratories Limited

Annual Report

For the Year Ended 31st March, 2019

4A, Kaledonia,
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SGCO & Co.LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Brooks Laboratories Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Brooks Laboratories Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (Including Other Comprehensive Income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss (Financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

1. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
2. We have determined that there are no key audit matters to be communicated in our report.

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www.sgco.co.in



Mumbai • Delhi

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Board's Report and Report on Corporate governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The financial statements dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;




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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For S G C O & Co. LLP
Chartered Accountants
FRN. 112081W/W100184


Suresh Murarka
Partner
Mem. No. 44739



Place: Mumbai
Date: 29th May 2019

Annexure "A" to Independent Auditor's Report

Annexure "A" referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the accounts of Brooks Laboratories Limited for the year ended 31st March 2019.

As required by the Companies (Auditors Report) Order, 2016 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i)
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.
- (iii)
 - a) During the year the Company has not granted any Loan, secured or unsecured, to any party covered in the registered maintained under section 189 of the Companies Act, 2013.
 - b) In view of our comments in para (iii) (a) above, clauses 3 (iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, section 185 of the Companies Act, 2013 is not applicable, since the Company has not granted any loan during the year. With regards to investments in securities of other body corporates, the Company has complied with the provisions of section 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public.
- (vi) As per explanation & information given to us, the Company has maintained proper cost records pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013. However, the same have not been reviewed by us.



- (vii) a) According to the records of the Company, amount deducted/accrued in the books of accounts in respect of the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Goods and Services tax, Duty of Customs, Cess and other Statutory Dues to the extent applicable to the Company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2019 for a period more than six months from the date they became payable.

- b) According to the information and explanations given to us, disputed dues of Income Tax, Goods and Services Tax, and Duty of Customs which have not been deposited on account of disputes with the related authorities are as under.

Nature of Statute	Demand Amount Raised (Rs. in lacs)	Stay Amount Paid (Rs. in lacs)	Period to which matter pertains	Forum at which dispute is pending
Income Tax	1,400.72	291.39	A.Y 2012-13	Commissioner of Income Tax – Appeals
	339.51	101.00	A.Y 2013-14	Commissioner of Income Tax – Appeals
	142.85	21.45	A.Y 2014-15	Commissioner of Income Tax – Appeals
	0.68	-	A.Y 2015-16	Commissioner of Income Tax – Appeals
	73.45	51.45	A.Y.2016-17	Commissioner of Income Tax – Appeals

- (viii) In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of its dues to banks and financial institution. The Company did not have any outstanding dues to debenture holders during the year.
- (ix) According to the information & explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information & explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.



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- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any transactions with related parties in terms of section 177 and 188 of the Act. Accordingly, paragraph 3 (xiii) of the Order is not applicable.
- (xiv) The Company has made preferential allotment of convertible warrants during this year. The requirement of Section 42 of Companies Act, 2013 has been complied with and the amount raised have been used for the purpose for which the funds were raised.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S G C O & Co. LLP

Chartered Accountants

FRN. 112081W/ W100184

Suresh Murarka

Partner

Mem. No. 44739



Place: Mumbai

Date: 29th May 2019

Annexure “B” to the Independent Auditor’s Report of even date on the financial statements of Brooks Laboratories Limited for the year ended 31st March 2019.

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

We have audited the internal financial controls over financial reporting of Brooks Laboratories Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S G C O & Co. LLP

Chartered Accountants

FRN. 112081W/W100184


Suresh Murarka

Partner

Mem. No. 44739

Place: Mumbai

Date: 29th May 2019



BROOKS LABORATORIES LIMITED
Balance Sheet as at 31st March, 2019

(Rs. In Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3A	11,717.18	12,401.04
Capital work-in-progress	3B	-	52.16
Intangible Asset	3C	8.00	-
Intangible Asset under development	3D	28.91	-
Investment Property	4	63.35	63.35
Financial assets			
Investments	5	2.00	2.00
Other financial assets	6	148.19	140.75
Income tax assets (net)	7	495.19	438.92
Deferred tax assets (net)	8	1,091.19	1,073.97
Other non-current assets	9	44.80	25.05
Total non-current assets		13,598.81	14,197.24
Current assets			
Inventories	10	1,005.34	1,140.91
Financial assets			
Trade receivables	11	1,141.70	1,018.24
Cash and cash equivalents	12	249.39	64.52
Other bank balances	13	97.38	131.95
Other financial assets	14	24.72	33.42
Other current assets	15	677.75	680.44
Total current assets		3,196.28	3,069.48
TOTAL ASSETS		16,795.09	17,266.73
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	16A	1,618.64	1,618.64
Other equity	16B	8,896.43	9,828.59
Total equity		10,515.07	11,447.23
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,386.39	1,663.00
Provisions	18	147.52	108.42
Total non-current liabilities		1,533.91	1,771.42
Current liabilities			
Financial liabilities			
Borrowings	19	1,446.88	854.44
Trade payables	20		
- Due to micro and small enterprises		302.96	76.68
- Due to Others		2,410.98	2,587.87
Other financial liabilities	21	433.77	401.82
Other current liabilities	22	129.75	92.77
Provisions	23	21.77	34.51
Total current liabilities		4,746.11	4,048.09
TOTAL EQUITY AND LIABILITIES		16,795.09	17,266.73

Notes 1 to 41 form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No : 112081WAW100184

Suresh Murarka

Partner

Mem. No. 44739

Place: Mumbai

Date : 29th May 2019

For and on behalf of the Board of Directors

Atul Ranchal

Chairman

Din : 01998361

Anil Kumar Pillai

CFO

Place: Mumbai

Date : 29th May 2019

Rajesh Mahajan

Managing Director

Din : 02000634

Jyoti Sancheti

Company Secretary

BROOKS LABORATORIES LIMITED
Statement of Profit and Loss for the year ended 31st March 2019

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	24	5503.01	5690.42
Other income	25	287.76	24.02
Total income		5790.77	5714.44
Expenses			
Cost of materials consumed	26	4057.22	4084.63
Changes in inventories of finished goods, work - in progress	27	(113.62)	(147.03)
Excise Duty		-	119.27
Employee benefits expense	28	1216.43	1180.73
Finance costs	29	296.26	240.43
Depreciation and amortisation expense		649.96	644.51
Other expenses	30	1179.31	1345.32
Total expenses		7285.56	7467.86
Profit / (Loss) before tax		(1494.79)	(1753.42)
Tax expense/ (credit)			
- Current tax		-	-
- Deferred tax		(14.48)	(375.09)
- Tax of earlier years		0.23	2.95
Total Tax expense/ (credit)		(14.25)	(372.14)
Profit/ (loss) for the year (A)		(1480.54)	(1381.28)
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss			
- Measurement of defined employee benefit plans		(9.85)	1.12
- Income tax relating to above items		2.74	(0.31)
Other comprehensive income for the year, net of tax (B)		(7.11)	0.81
Total comprehensive income/ (loss) for the year, net of tax (A+B)		(1487.63)	(1380.48)
Earnings per equity share of Rs. 10 each	31		
Basic and diluted (in Rs.)		(9.20)	(8.53)
Notes 1 to 41 form an integral part of the financial statements			

This is the statement of profit and loss referred to in our audit report of even date

For S G C O & Co. LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No : 112081W/W100184

Suresh Murarka
Partner
Mem. No. 44739



Atul Ranchal
Chairman
Din : 01998361

Rajesh Mahajan
Managing Director
Din : 02000634

Anil Kumar Pillai
CFO

Jyoti Sancheti
Company Secretary

Place: Mumbai
Date : 29th May 2019

Place: Mumbai
Date : 29th May 2019



BROOKS LABORATORIES LIMITED
Cash Flow Statement for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(1,494.79)	(1,753.42)
Adjustments for		
Depreciation and amortisation expense	649.96	644.51
Finance cost	296.26	244.02
Interest income	(10.84)	(13.53)
Remeasurement of Defined benefit obligations	(9.85)	1.12
Dividend from current investments	(0.54)	-
Profit on sale of property plant and equipment	(17.14)	(0.81)
Provision for Expected credit loss	16.04	108.36
Unrealised Foreign Exchange (Gain)/loss	0.39	(0.84)
Operating profit before working capital changes	(570.50)	(770.60)
Adjustments for changes in working capital:		
Decrease / (increase) in Trade Receivables	(185.96)	(66.53)
Decrease / (increase) in Inventories	135.58	(371.03)
Decrease / (increase) in Other Assets	(17.06)	(166.96)
Decrease / (increase) in Other Financial Assets	48.04	27.59
(Decrease) / Increase in Trade and Other Payables	49.39	813.14
(Decrease) / Increase in Other Financial Liabilities	28.70	(72.01)
(Decrease) / Increase in Other Liabilities	36.98	22.76
(Decrease) / Increase in Long term Provisions	39.10	21.78
(Decrease) / Increase in Short term Provisions	(12.74)	22.00
Cash generated from / (used in) operations	(448.45)	(539.86)
Direct taxes paid (net of refunds received)	(56.50)	(78.30)
Net cash (used in) / from generated from operating activities	(504.95)	(618.16)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(86.72)	(573.25)
Proceeds from sale of property, plant and equipment	153.00	7.80
Loan Received back	-	0.85
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	34.57	37.77
Interest received	10.13	13.31
Dividend received	0.54	-
Net cash (used in) / generated from investing activities	111.52	(513.52)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Money received against share warrants	555.49	-
Proceeds from borrowings (net)	328.11	1,438.96
Finance costs paid	(305.29)	(256.74)
Net cash (used in) / from financing activities	578.31	1,182.23
Net decrease in cash and cash equivalents (A+B+C)	184.87	50.55
Cash and cash equivalents at the beginning of the year	64.52	13.97
Cash and cash equivalents at the end of the year	249.39	64.52

Note:

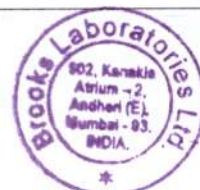
1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) Statement of Cash Flow.



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BROOKS LABORATORIES LIMITED
Cash Flow Statement for the year ended 31 March 2019

2. Components of cash and cash equivalents considered only for the purpose of cash flow statement as follows :

Particulars	(Rs. In Lakhs)	
	As at 31 March 2019	As at 31 March 2018
In bank current accounts in Indian rupees	246.96	63.35
Cash on hand	2.43	1.17
	249.39	64.52

3. Previous year's figures have been regrouped and rearranged wherever necessary in order to confirm to current year's classification.


This is the Cash Flow Statement referred to in our audit report of even date

For S G C O & Co. LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No : 112081W/W100184


Suresh Murarka

Partner

Mem. No. 44739




Atul Ranchal

Chairman

Din : 01998361


Anil Kumar Pillai

CFO

Place: Mumbai

Date : 29th May 2019

Place: Mumbai

Date : 29th May 2019


Rajesh Mahajan

Managing Director

Din : 02000634


Jyoti Sancheti

Company Secretary



BROOKS LABORATORIES LIMITED
Statement of Changes in Equity for the year ended 31st March 2019

A) Equity share capital


Particulars	Number	(Rs. In Lakhs)
Equity shares of Rs. 10/- each issued, subscribed and paid		
As at 1 April 2018	16,186,422	1,618.64
Changes in Equity Share Capital	-	-
As at 31st, March 2019	16,186,422	1,618.64

B) Other equity

Particulars	Reserves and surplus		Other comprehensive income	Money received against share warrants	Total equity attributable to equity holders
	Securities premium reserve	Retained earnings	Remeasurement of Defined Benefit Plans		
As at 1 April 2017	5,341.40	5,857.48	10.17	-	11,209.05
Profit for the Year	-	(1,381.28)	-	-	(1,381.28)
Other Comprehensive Income for the year	-	-	0.81	-	0.81
As at 31 March 2018	5,341.40	4,476.20	10.98	-	9,828.59
Profit for the Year	-	(1,480.54)	-	-	(1,480.54)
Other Comprehensive Income for the year	-	-	(7.11)	-	(7.11)
Money received against share warrants during the year	-	-	-	555.49	555.49
As at 31 March 2019	5,341.40	2,995.66	3.87	555.49	8,896.44

This is the Statement of Changes in Equity referred to in our audit report of even date

For **S G C O & Co. LLP**
Chartered Accountants
Firm Registration No : 112081W/W100184


Suresh Murarka
Partner
Mem. No. 44739



For and on behalf of the Board of Directors


Atul Ranchal
Chairman
Din : 01998361


Anil Kumar Pillai
CFO


Rajesh Mahajan
Managing Director
Din : 02000634


Jyoti Sancheti
Company Secretary

Place: Mumbai
Date : 29th May 2019

Place: Mumbai
Date : 29th May 2019



Note 1 Corporate Information

Brooks Laboratories Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and was incorporated on 23rd January, 2002. The shares of the company are listed on BSE & NSE in India. The Company has manufacturing plants at Baddi, Himachal Pradesh and Vadodara, Gujarat. The Company is a pharmaceutical manufacturing company working on contract basis.

Note 2.1 Significant Accounting Policies**i Basis of Preparation**

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



iii Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

iv Depreciation/ Amortisation

Depreciation on tangible assets is provided on straight line basis considering the useful lives prescribed in Schedule II to the Act on a pro-rata basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

v Investment Property

Investment properties are held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment Property is initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognised in Statement of Profit & Loss.

vi Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets**Initial Recognition**

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.



Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities**1) Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

vii Employee Benefits**a Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

e Termination benefits

Termination benefits are recognised as an expense as and when incurred.



viii Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

ix Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

x Foreign Exchange Translation and Accounting of Foreign Exchange Transaction**a Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

xi Revenue Recognition

- a) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- b) Sales are recognised when all significant risks and rewards of ownership of the goods are passed on to the buyer i.e. on dispatch of goods to the buyer.
- c) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- d) Dividend income is recognised when right to receive the same is established.

xii Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period

xiii Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xiv Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xv Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xvi Inventories

Inventories are valued as follows:

- Finished Goods are valued at lower of cost or net realisable value.
- Raw Material are valued at lower of cost or net realisable value.
- Packing Materials are valued at cost or net realisable value.
- Work in process is valued at lower of cost or net realisable value.

Cost is arrived at on weighted average cost method.

xvii Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. In respect of assets given on operating lease, income is recognized on straight line basis over the lease term. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

Income earned by way of leasing or renting out of commercial premises is recognised as income in accordance with Indian Accounting Standard 17 on "Leases" (Ind AS 17).



xviii Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xix Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

xx Rounding of amounts

All amounts disclosed in the financials statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III.



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BROOKS LABORATORIES LIMITED
Accompanying notes to the financial statement for the Year ended March 31, 2019

Note 3A : Property, plant and equipment

Particulars	Land	Factory Building	Office Building	Plant and Machinery	Lab Equipment's	Electrical Installations	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Leasehold Improvement	Server	Total
Gross carrying value													
Balance as at 31 March 2018	1,740.69	4,401.22	438.58	5,665.58	7.04	457.48	137.58	225.32	60.29	34.09	-	42.94	13,210.79
Additions	-	-	-	78.20	-	1.35	2.25	-	6.32	0.80	11.05	-	99.97
Disposals	-	-	141.17	-	-	-	-	-	-	-	-	-	141.17
Balance as at 31 March 2019	1,740.69	4,401.22	297.41	5,743.78	7.04	458.83	139.83	225.32	66.61	34.88	11.05	42.94	13,169.59
Accumulated depreciation	-	171.34	14.99	447.29	3.32	51.25	22.45	55.42	19.00	17.04	-	7.65	809.75
Depreciation charge	-	150.40	5.09	373.57	1.60	46.05	14.06	28.97	10.29	9.49	1.29	7.16	647.96
Deletions / Adjustments	-	-	(5.30)	-	-	-	-	-	-	-	-	-	(5.30)
Balance as at 31 March 2019	-	321.74	14.77	820.85	4.93	97.31	36.51	84.38	29.29	26.53	1.29	14.80	1,452.41
Net carrying value													
Balance as at 31 March 2019	1,740.69	4,079.48	282.63	4,922.92	2.12	361.52	103.32	140.93	37.32	8.35	9.76	28.14	11,717.18
Balance as at 31 March 2018	1,740.69	4,229.88	423.59	5,218.29	3.72	406.23	115.13	169.90	41.29	17.04	-	35.29	12,401.04

Note 3B : Capital work-in-progress

Particulars	Capital Work in Progress*
Gross carrying value	
Balance as at 1 April 2018	52.16
(at deemed cost)	-
Additions	(52.16)
Transferred to Property, plant & equipment	-
Balance as at 31 March 2019	-
Net carrying value	
Balance as at 31 March 2018	52.16
Balance as at 31 March 2019	-



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Note 3C : Intangible Assets

Particulars	Software
Gross carrying value	-
Balance as at 31 March 2018	10.00
Additions	
Balance as at 31 March 2019	10.00
Depreciation for the year	(2.00)
Additions	-
Net carrying value	-
Balance as at 1 April 2018	-
Balance as at 31 March 2019	8.00

Note 3D : Intangible Assets Under Development

Particulars	Intangible Assets Under Development
Gross carrying value	-
Balance as at 31 March 2018	28.91
Additions	
Balance as at 31 March 2019	28.91
Accumulated Depreciation	-
Additions	-
Net carrying value	-
Balance as at 1 April 2018	-
Balance as at 31 March 2019	28.91

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(Rs. In Lakhs)

Note 4 : Investment Property

Particulars	Land	Total
Gross carrying value		
Balance as at 1 April 2018 (at deemed cost)	63.35	63.35
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	63.35	63.35
Net carrying value		
Balance as at 31 March 2019	63.35	63.35
Balance as at 31 March 2018	63.35	63.35

i) Fair Value

Particulars	As at 31 March 2019	As at 31 March 2018
Investment Properties	65.08	65.08
	65.08	65.08

Estimation of Fair value :

The company has classified the same under Level 2 of Fair value hierarchy.

Note 5 : Investments

Particulars	As at 31 March 2019	As at 31 March 2018
I. Investments valued at FVTPL (Unquoted)		
Investment in equity shares		
i) In other companies	2.00	2.00
Total non-current investments	2.00	2.00

Note 5.1 Detailed list of non-current investments

Face value of Rs. 10 each, unless otherwise stated

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos	Rs. in lakhs	Nos	Rs. in lakhs
Investments valued at FVTPL, fully paid up (Unquoted)				
Shivalik Solid Waste Management Limited (Face Value of Rs. 10/- each, fully paid)	20,000	2.00	20,000	2.00
Total non-current investments	20,000	2.00	20,000	2.00

Particular	As at 31 March 2019	As at 31 March 2018
Aggregate of non-current investments:		
Book value of investments (net of impairment allowance)	2.00	2.00
Investments carried at deemed cost	2.00	2.00
Investments carried at fair value through profit and loss	-	-

Note 6 : Other financial assets

(Unsecured, Considered Good)

Particular	As at 31 March 2019	As at 31 March 2018
Security Deposits	179.36	160.98
Less : ECL provision	(31.17)	(20.23)
	148.19	140.75



(Rs. In Lakhs)

Note 7 : Income Tax Assets (Net)

(a) Amounts recognised in Statement of Profit and Loss

Particulars	As at 31 March 2019	As at 31 March 2018
Current tax expense (A)		
Current year	-	-
Short/(Excess) provision of earlier years	0.23	2.95
	0.23	2.95
Deferred tax expense (B)		
Origination and reversal of temporary differences	(14.48)	(375.09)
Tax expense recognised in the income statement (A+B)	(14.25)	(372.14)

(b) Amounts recognised in other comprehensive income

Particulars	Year Ended 31 March 2019			Year Ended 31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(9.85)	2.74	(7.11)	1.12	(0.31)	0.81
	(9.85)	2.74	(7.11)	1.12	(0.31)	0.81

(c) Reconciliation of effective tax rate

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Profit before tax	(1494.79)	(1753.42)
Tax using the Company's domestic tax rate (Current year 27.82% and Previous Year 27.55%)	(415.85)	(483.07)
Tax effect of :		
Effect of expenses that is non-deductible in determining taxable profit	(13.88)	(16.50)
Indexed Cost of Land	7.37	8.28
Effect of current year losses for which deferred tax asset is recognised	408.11	119.14
Tax expense as per Statement of Profit & Loss	(14.25)	(372.14)
Effective tax rate	0.01	0.21

(d) Income tax assets (net)

Particular	As at 31 March 2019	As at 31 March 2018
Advance income tax and TDS(Net of Provisions)	495.19	438.92
Total income tax assets (Net)	495.19	438.92

* includes Rs. 465.29 lacs (31 March 2018 : Rs 413.84 lacs) paid against income tax dispute (Refer Note no.33)

Note 8 : Deferred tax assets (net)

Particular	As at 31 March 2019	As at 31 March 2018
Deferred income tax asset		
Provision for employee benefits	47.10	42.55
Provision for expected credit loss on trade receivables	117.54	109.21
Financial asset carried at amortised cost	0.03	0.01
Brought forward losses	-	324.92
Unabsorbed depreciation	970.99	644.03
MAT credit entitlement	911.85	959.52
Deferred tax assets	2,047.51	2,080.25
Deferred income tax liabilities		
Excess of net block of fixed assets as per books over net block for tax	(859.13)	(900.72)
Financial liabilities carried at amortised cost	(2.51)	(3.50)
Indexed Cost of Land	(94.68)	(102.06)
Deferred tax liabilities	(956.32)	(1006.28)
Deferred tax assets (net)	1,091.19	1,073.97



(Rs. In Lakhs)

Movement in Deferred Tax Assets/(Liabilities)

Particulars	Property, Plant and Equipment	Provision for expected credit loss on trade receivables	Provision for employee benefits	MAT credit entitlement	Others	Total
At April 1, 2017	(1,002.77)	109.21	42.55	959.52	(3.50)	105.01
Charged / (credited)						
- to Statement of Profit and Loss	644.03	-	-	-	-	644.03
- to other comprehensive income	-	-	-	-	-	-
At March 31, 2018	(358.75)	109.21	42.55	959.52	(3.50)	749.04
Charged / (credited)						
- to Statement of Profit and Loss	375.93	8.32	7.28	47.67	1.02	344.89
- to other comprehensive income	-	-	(2.74)	-	-	(2.74)
At Mar 31, 2019	17.18	117.54	47.10	911.85	2.48	1,091.19

Note 9 : Other non current assets
(Unsecured, Considered Good)

Particular	As at 31 March 2019	As at 31 March 2018
Prepaid rent	2.22	12.18
Capital advances	42.58	12.87
	44.80	25.05

Note 10 : Inventories
(Valued at lower of cost or net realisable value)

Particular	As at 31 March 2019	As at 31 March 2018
Work-in-progress	137.66	85.09
Finished goods	244.66	183.61
Raw materials	395.31	682.07
Packing materials	227.71	190.14
	1,005.34	1,140.91

Note 11 : Trade receivables
(Unsecured)

Particular	As at 31 March 2019	As at 31 March 2018
Trade receivables		
- considered good	1,402.12	1,216.55
Less: Provision for expected credit loss	(260.42)	(198.31)
	1,141.70	1,018.24

Note 12 : Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- Current accounts in Indian rupees	246.96	63.35
Cash on hand	2.43	1.17
	249.39	64.52

Note 13 : Other bank balances

Particular	As at 31 March 2019	As at 31 March 2018
Earmarked balances with banks for:		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months *	97.38	131.95
	97.38	131.95

* includes Rs. 97.38 lacs (31 March 2018: Rs. 124.85 lacs) pledged with bank as margin against bank guarantee.

Note 14 : Other financial assets
(Unsecured)

Particular	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on bank deposits	5.94	10.30
Other Receivables	158.98	220.35
Less: Provision for Expected Credit loss 1	(140.21)	(197.23)
	24.72	33.42



(Rs. In Lakhs)

Note 15 : Other current assets
(Unsecured, Considered Good)

Particular	As at 31 March 2019	As at 31 March 2018
Advance to suppliers	54.29	45.39
Duties and Taxes Receivable	590.53	624.57
Prepaid expenses	11.17	10.03
Others	21.76	0.45
	677.75	680.44

Note 16A : Equity Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
20,000,000 Equity Shares of Rs.10/- each	2,000	2,000
Total authorised share capital	2,000	2,000
Issued, subscribed and paid-up equity share capital:		
16,186,422 Equity shares of Rs. 10/- each	1,618.64	1,618.64
Total issued, subscribed and paid-up equity share capital	1,618.64	1,618.64

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	Number	Amount
As at 1 April 2017	16,186,422	1,618.64
Issued during the year		
As at 31 March 2018	16,186,422	1,618.64
Issued during the year		
As at 31 March 2019	16,186,422	1,618.64

Terms/rights attached to equity shares:

(i) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% held	No. of shares	% held
Atul Ranchal	4,113,071	25.41%	4,113,071	25.41%
Rajesh Mahajan	3,493,151	21.58%	3,493,151	21.58%

Note 16B : Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
Securities premium reserve	5,341.40	5,341.40
Retained earnings	2,995.66	4,476.20
Items of Other Comprehensive Income		
- Remeasurements of defined benefit plans	3.87	10.98
Money received against share warrants	555.49	-
	8,896.43	9,828.59

Nature and purpose of reserves

Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders, if any.

Remeasurements of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.



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(Rs. In Lakhs)

Money received against share warrants

In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations"), the company upon the shareholders approval at the Annual General Meeting held on 10th August, 2018 issued and allotted 8,50,000 Share warrants, by circular resolution dated 6th September, 2018 and 14th September, 2018 at a conversion price of Rs. 95.50 per Equity share aggregating to Rs 8,11,75,000. The company has received Rs 2,61,49,000/- as upfront amount. Subsequently, Rs. 2,94,00,000 has been received in this year against balance amount of Share Warrants. These warrants will be converted into an equivalent number of Equity shares of face value Rs. 10 each at premium of Rs 85.50 per share, in the company, upon receipt of balance amount of Rs. 2,56,26,000, within a period of 18 months from the date of allotment.

Note 17 : Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Term loan from bank	1,588.32	1,828.45
Less: Current maturities of long term debts	(247.61)	(247.61)
	1,340.71	1,580.84
Hire purchase loans		
From Banks	16.50	25.79
Less: Current maturities of long term debts	(10.21)	(9.36)
	6.29	16.42
From others	65.86	89.80
Less: Current maturities of long term debts	(26.46)	(24.06)
	39.39	65.74
Total non-current borrowings	1,386.39	1,663.00

Nature of security and terms of repayment :

Term loan from bank

Rs 1,085.87 lacs (PY Rs. 1,241.17 lacs). The loan is secured by hypothecation of Plant and Machinery at Vadodara unit and collaterally secured by Equitable Mortgage of land and building at Vadodara unit. It is further secured by Personal Guarantee of two Directors of the Company. Term loan from Indian Bank carries interest @ 10% p.a. The loan is repayable in 32 equal quarterly instalments starting from March, 2018.

Rs 501.81 lacs (PY Rs. 587.28 Lacs). The loan is secured by hypothecation of Plant and Machinery at Vadodara unit and collaterally secured by Equitable Mortgage of land and building at Vadodara unit. It is further secured by Personal Guarantee of two Directors of the Company. The loan from Indian bank carries interest @ MCLR- 1 year (8.50%) + 3.00% i.e. 11.50% and is repayable in 78 monthly instalments of rs. 7.69 lacs per month commencing from April, 2018. Interest is to be serviced as and when debited to the account

Hire Purchase Loans

Rs 16.50 lacs (PY Rs. 25.79 lacs) Hire purchase loan is secured by hypothecation of vehicles financed. Hire purchase loans carries interest @ 9.5% p.a. The loans are repayable in 60 equal monthly instalments starting from November, 2015.

From Others

Rs. 65.86 lacs (PY Rs. 89.80 lacs) Hire Purchase Loan is secured by hypothecation of vehicles financed. Hire purchase loans carries interest @ 10.67% p.a. The loan is repayable in 60 equal monthly instalments starting from June, 2016.

Note 18 : Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
- Gratuity	104.35	73.76
- Leave entitlement and compensated absences	43.17	34.66
	147.52	108.42

Note 19 : Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Cash Credit from banks	1,446.88	854.44
	1,446.88	854.44

Secured loans from Banks includes :

- Cash Credit facility amounting to Rs. 751.93 lacs (PY Rs. 684.04 lacs) is secured by 1st Hypothecation charge on Stocks, Receivable & all current assets and collaterally secured by Equitable Mortgage of Industrial Property at Baddi & Corporate office, Mumbai. It is further secured by Personal Guarantee of Directors of the Company. It carries interest @ (KMBR as on date 9.50%) + 1% with a minimum of 10.5%.
- Cash Credit facility amounting to Rs. 694.95 lacs (PY 170.40 lacs) is secured by 1st Hypothecation charge on Stocks, WIP and finished goods, book debts/other Receivables of Vadodara unit and collaterally secured by Equitable Mortgage of land and building bearing block no 61 & 62 at Vadodara. It is further secured by Personal Guarantee of Directors of the Company. It carries interest @ MCLR- 1 year (8.60%) + 1.40% i.e. 10%.



(Rs. In Lakhs)

Note 20 : Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note below)	302.96	76.68
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,410.98	2,587.87
	2,713.94	2,664.55

The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 March 2019.

The disclosure pursuant to the said Act is as under:

Particulars	31 March 2019	31 March 2018
Principal amount due to suppliers under MSMED Act	302.96	76.68
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond appointed day during the year	290.06	31.41
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

Note: Interest paid or payable by the company on the aforesaid principal amount has been waived by the concerned suppliers

Note 21 : Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term borrowings (Refer note 18)	284.29	281.04
Interest accrued and due on borrowings	15.93	17.14
Salary & wages payable	100.86	96.20
Payable for capital goods	-	7.44
Deposits	32.69	-
	433.77	401.82

Note 22 : Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Duties & Taxes payable	29.21	23.35
Advance from customer	100.54	69.42
	129.75	92.77

Note 23 : Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
- Gratuity	15.70	14.49
- Leave entitlement and compensated absences	6.07	5.02
Other Provisions	-	15.00
	21.77	34.51

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Note 24 : Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of drugs	5,503.01	5,690.42
Total Revenue from Operations	5,503.01	5,690.42

* Sales are reported net of discounts, rebates and returns.

Note 25 : Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income	10.84	13.53
Gain on exchange fluctuation (net)	-	0.84
Profit on sale of property plant equipment	17.14	-
Dividend from long term investments	0.54	-
Sundry balance written back	227.00	-
Insurance claim Received	20.20	-
Miscellaneous income	12.04	9.65
Total other income	287.76	24.02

Note 26 : Cost of materials consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Raw Material (Including Packing Material)		
Opening stock	872.22	648.22
Add: Purchases	3,833.91	4,308.63
Less: Closing stocks	(623.02)	(872.22)
	4,083.11	4,084.63
Less: Loss on account of Flood from Finished goods	(25.89)	-
	4,057.22	4,084.63

Note 27 : Changes in inventories of finished goods, work - in progress

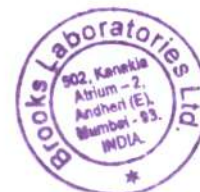
Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening inventory		
- Finished Goods	183.61	33.90
- Work-in-progress	85.09	87.76
	268.70	121.66
Closing inventory		
- Finished Goods	244.66	183.61
- Work-in-progress	137.66	85.09
	382.32	268.70
Changes in inventories	(113.62)	(147.03)

Note 28 : Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	929.48	885.98
Contribution to provident and other funds (Refer note 38)	50.29	45.60
Director Remuneration	215.67	215.50
Staff welfare	20.99	33.65
Total employee benefits expense	1,216.43	1,180.73



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Note 29 : Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on:		
- Loan from banks/others	296.26	240.43
Total finance costs	296.26	240.43

Note 30 : Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<u>Manufacturing expenses</u>		
Stores & spares consumed	123.55	109.99
Power & fuel	256.37	362.36
Packing charges	75.23	69.07
<u>Repairs & maintenance</u>		
- Plant & machinery	11.51	10.72
- Factory building	5.63	7.48
Labour charges	65.90	98.97
Other factory expenses	62.96	71.92
<u>Administration, selling and distribution expenses</u>		
Rent	29.77	3.12
Insurance expenses	11.86	10.41
Legal and professional fees	36.95	96.65
Auditor's remuneration	9.00	9.00
Travelling & conveyance	96.12	111.14
Advertising & sales promotion expenses	48.45	74.04
Commission paid	24.31	29.44
Transportation, freight & handling charges	14.24	19.62
Loss on exchange fluctuation (net)	0.39	-
loss on account of Flood	48.37	-
Provision for Expected credit loss (net of reversal)	16.04	108.36
Miscellaneous expenses	242.67	153.02
	1,179.31	1,345.32

Auditors' remuneration:

i) Statutory audit fees	8.40	8.40
ii) Taxation Matters	0.60	0.60
	9.00	9.00

Note 31 : Earnings per equity share of Rs. 10 each

The amount considered in ascertaining the Company's earnings per share constitutes the net loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Basic and diluted EPS

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit computation for basic earnings per share of Rs. 5 each		
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity	(1,488)	(1,380)
Weighted average number of equity shares for EPS computation	16,186,422	16,186,422
EPS - Basic and Diluted EPS	(9.19)	(8.53)



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Note 32 . Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Name of related party	Nature of relation
(A) Directors	
Mr. Atul Ranchal	Chairman
Mr. Rajesh Mahajan	Managing Director
Dr. Durga Shankar Maity	Wholetime Director
Mr. Rajnish Kumar Bedi	Independent Director
Mr. Deepak Mahajan	Independent Director
Mrs. Sonia Gupta	Independent Director
(B) Key managerial personnel	
Mr. Anil Kumar Pillai	Chief Financial Officer
Mrs. Jyoti Sancheti	Company Secretary
(B) Relative of Directors	
Mrs. Saras Gupta	Relative of Director
Mrs. Rajani Ranchal	Relative of Director
Mrs. Davinder Kumari	Relative of Director

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

Particulars	Nature of Transaction	Year ended 31 March 2019	Year ended 31 March 2018
Mr. Atul Ranchal	Salary	96.00	96.00
	Sitting Fees	1.00	1.00
	Leave Encashment	-	2.36
Mr. Rajesh Mahajan	Salary	96.00	96.00
	Sitting Fees	0.80	1.00
	Leave Encashment	-	2.36
Dr. Durga Shankar Maity	Salary	23.76	23.50
	Sitting Fees	1.00	1.00
	Leave Encashment	-	0.42
Mr. Rajnish Kumar Bedi	Sitting Fees	0.80	0.80
Mr. Deepak Mahajan	Sitting Fees	0.80	0.80
Mrs. Sonia Gupta	Sitting Fees	1.00	0.60
Mrs. Saras Gupta	Salary	28.80	28.80
	Leave Encashment	-	0.94
Mrs. Rajani Ranchal	Salary	28.80	28.80
	Leave Encashment	-	0.88
Mrs. Davinder Kumari	Salary	24.00	24.00
	Leave Encashment	-	0.63
Mr. Anil Kumar Pillai	Salary	14.98	13.88
	Leave Encashment	0.00	0.02
Mrs. Jyoti Sancheti	Salary	6.62	6.12



c) Balance Outstanding of Related Parties :

Particulars	Nature of Transaction	As at 31 March 2019	As at 31 March 2018
Mr. Atul Ranchal	Salary & Wages Payable	5.20	0.80
	Trade Payable	1.00	1.00
Mr. Rajesh Mahajan	Salary & Wages Payable	5.56	5.65
	Trade Payable	0.80	1.00
Dr. Durga Shankar Maity	Salary & Wages Payable	1.42	4.98
	Trade Payable	1.00	1.00
Mr. Rajnish Kumar Bedi	Trade Payable	0.80	0.80
Mr. Deepak Mahajan	Trade Payable	0.80	0.80
Mrs. Sonia Gupta	Trade Payable	1.00	0.60
Mrs. Saras Gupta	Salary & Wages Payable	1.85	1.87
Mrs. Rajani Ranchal	Salary & Wages Payable	1.49	1.97
Mrs. Davinder Kumari	Salary & Wages Payable	1.50	1.40
Mr. Anil Kumar Pillai	Salary & Wages Payable	0.92	0.54
Mrs. Jyoti Sancheti	Salary & Wages Payable	0.51	0.51

Note 33 : Contingent liabilities and Commitments

(A) Contingent liabilities

i) Gurantees

Particular	As at 31 March 2019	As at 31 March 2018
i) Bank Guarantee	93.22	124.85

ii) Other money for which the company is contingently liable

Particular	As at 31 March 2019	As at 31 March 2018
Disputed liability in respect of Income tax (Refer Note below)	1,957.21	1,883.76

The Company has received Notice of Demand u/s 156 of the Income Tax Act, 1961 for the three assessment years and company has filed an appeal against the same. Details of the same are given as follows :

A.Y to which matter pertains	Demand Amount Raised in FY 18-19	Stay amount paid till FY 18-19	Demand Amount Raised in FY 17-18	Stay amount paid till FY 17-18
2012-13	1,400.72	291.39	1,400.72	281.96
2013-14	339.51	101.00	339.51	101.00
2014-15	142.85	21.45	142.85	21.45
2015-16	0.68	-	0.68	-
2016-17	73.45	51.45	-	-
Total	1,957.21	465.29	1,883.76	404.41

(B) Commitments

Particular	As at 31 March 2019	As at 31 March 2018
i) Contracts Remaining to Be Executed	96.84	25.08
ii) EPCG Commitment (Refer Note below)	443.21	443.21

The Company has obtained license under Export Promotion Capital Goods Scheme (EPCG) for purchase of capital goods on zero percent custom duty. Under the EPCG the Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. Export obligations is Rs. 3,127.60 lacs (P.Y. Rs. 3,127.60 lacs) out of which Rs. 1,254.25 lacs needs to be completed within 6 years (till F.Y.2019-20) & Rs. 1,873.34 lacs needs to be completed within 8 years (till F.Y.2020-21) from the date of purchase of respective Capital Goods.



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Note 34 : Operating leases disclosures as required under Indian Accounting Standard 17, "Leases":

Future minimum lease payments payable under non-cancellable operating leases in aggregate for the following periods:

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	29.71	29.71
Later than one year and not later than five years	89.12	118.83
TOTAL	118.83	148.54

Note 35 : Expenditure on Corporate Social Responsibility Activities

Particulars	As at 31 March 2019	As at 31 March 2018
Details of CSR Expenditure:		
Gross amount required to be spent by the Company during the year.	70.44	61.18

Particulars	Amount Spent		Amount yet to be Spent		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Contribution to Gram Panchayat & Sahidi Sabhyacharak Mela	0.00	0.10	70.44	61.18	70.44	61.29

Note 36 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director/Chairman of the Company. The Company operates only in one Business Segment i.e. "Manufacturing of Drugs & Pharmaceutical", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Note 37 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity (Non Funded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	89.03	68.17
Service cost	17.33	16.45
Interest cost	6.68	5.45
Actuarial loss / (gain)	9.85	(1.12)
Benefits paid	(2.84)	(0.70)
Present value of obligation as at the end of the year	120.05	88.25
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	17.33	16.45
Past service cost	-	-
Interest cost	6.68	5.45
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	-	-
Total	24.01	21.90
Remeasurement (gains)/ losses		
c) recognised in OCI		
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	9.85	(1.12)
Total	9.85	(1.12)
d) Actuarial assumptions	31 March 2019	31 March 2018
Discount rate	7.5% p.a.	8% p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	6% p.a.	6% p.a.
Attrition rate	10% at all ages	10% at all ages
Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand

e) Quantities sensitivity analysis for significant assumption is as below:

Particulars	31 March 2019	31 March 2018
	1% increase	1% increase
i. Discount rate	113.93	84.46
ii. Salary escalation rate - over a long-term	126.81	94.14
	1% decrease	1% decrease
i. Discount rate	126.78	94.09
ii. Salary escalation rate - over a long-term	113.81	84.34

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other

B Other Employee Benefits

Leave Encashment (Non Funded)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	39.68	28.79
Service cost	18.37	16.57
Interest cost	2.98	2.30
Actuarial loss / (gain)	(7.21)	(6.08)
Benefits paid	(4.56)	(1.90)
Present value of obligation as at the end of the year	49.26	39.68
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	18.37	16.57
Past service cost	-	-
Interest cost	2.98	2.30
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	(7.21)	(6.08)
Total	14.14	12.79
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	-	-
Total	-	-

d) Quantities sensitivity analysis for significant assumption is as below:

Particulars	31 March 2019	31 March 2018
	1% increase	1% increase
i. Discount rate	46.93	37.75
ii. Salary escalation rate - over a long-term	51.82	41.81
	1% decrease	1% decrease
i. Discount rate	51.81	41.79
ii. Salary escalation rate - over a long-term	46.87	37.70

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other

Current/ non-current

C classification

Particulars	31 March 2019	31 March 2018
Gratuity		
Current	15.70	14.49
Non-current	104.35	73.76
	120.05	88.25
Leave entitlement (including sick leave)		
Current	6.07	5.02
Non-current	43.17	34.66
	49.24	39.68



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BROOKS LABORATORIES LIMITED

Accompanying notes to the financial statement for the Year ended March 31, 2019

Rs. in lakhs

Note 38 : Fair Value Measurement

(i) Financial instruments by category

Particulars	Refer note	31 March 2019					31 March 2018				
		Non - Current	Current	FVTPL	FVOCI	Amortised Cost	Non - Current	Current	FVTPL	FVOCI	Amortised Cost
Financial Assets:											
Investments											
Investments in equity shares	5	2.00	-	-	-	2.00	2.00	-	-	-	2.00
Trade receivables	11	-	1,141.70	-	-	1,141.70	-	1,018.24	-	-	1,018.24
Others financial assets	6	148.19	24.72	-	-	172.91	140.75	33.42	-	-	174.17
Cash and cash equivalents	12	-	249.39	-	-	249.39	-	64.52	-	-	64.52
Other bank balances	13	-	97.38	-	-	97.38	-	131.95	-	-	131.95
Total Financial Assets		150.19	1,513.18	-	-	1,663.38	142.75	1,248.13	-	-	1,390.88
Financial Liabilities:											
Borrowings	17	1,386.39	1,446.88	-	-	2,833.26	1,663.00	854.44	-	-	2,517.44
Trade payables	20	-	2,713.94	-	-	2,713.94	-	2,664.55	-	-	2,664.55
Other financial liabilities	21	-	433.77	-	-	433.77	-	401.82	-	-	401.82
Total Financial Liabilities		1,386.39	4,594.58	-	-	5,980.97	1,663.00	3,920.80	-	-	5,583.80

The Company has not disclosed the fair values for financial instruments for other financial assets (current and non current), trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Borrowings (current and non current), Trade payables, other current financial liabilities because their carrying amounts are reasonably approximation of fair value.

(ii) Fair value hierarchy

Fair value hierarchy explains the judgement and estimates made in determining the fair values of the financial instruments that are -

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed as Level 3.

If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.



(Handwritten signatures)

Note 39 : Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Major financial instruments affected by market risk includes loans and borrowings.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2019	31 March 2018
Increase in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, increase by	-2.02	-2.02
Decrease in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, decrease by	2.02	2.02

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b) Foreign currency risk

The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

c) Other price risk

The Company is not exposed to any other price risk.

ii. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade and other receivables, cash and cash equivalents and security deposits.

Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the company continues regular follow up, engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings. The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum.

Other Financial Assets

The Company maintains exposure in cash and cash equivalents, security deposits and other receivables. The company goes through regular follow up for recovering the amount of deposit and other receivables. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

The movement of the allowance for lifetime expected credit loss is stated below:

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	(198.31)	(80.29)
Balance at the end of the year	(260.42)	(198.31)



iii. **Liquidity risk**

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(Rs. In Lakhs)					
Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2019					
Borrowings	-	1,731.17	293.29	1,093.09	3,117.55
Trade payables	2,713.92	-	-	-	2,713.92
Other financial liabilities	149.48	-	-	-	149.48
	2,863.40	1,731.17	293.29	1,093.09	5,980.95
As at 31 March 2018					
Borrowings	-	1,135.48	329.78	1,333.22	2,798.47
Trade payables	2,664.55	-	-	-	2,664.55
Other financial liabilities	120.78	-	-	-	120.78
	2,785.32	1,135.48	329.78	1,333.22	5,583.80

Note 40 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

To maintain or adjust the capital structure, the Company usually turns to reputed banks and other financial institutions for funds. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

Particulars	As at 31 March 2019	As at 31 March 2018
Total debts	3,133	2,816
Total equity	10,507	11,447
Total debts to equity ratio (Gearing ratio)	22.97%	19.74%

Note 41 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

In terms of our report on even date

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No : 112081W/W100184

Suresh Murarka
Partner
Mem. No. 44739



Place: Mumbai
Date : 29th May 2019

For and on behalf of the Board of Directors

Atul Ranchal
Chairman
Din : 01998381

Anil Kumar Pillai
CFO

Place: Mumbai
Date : 29th May 2019

Rajesh Mahajan
Managing Director
Din : 02000634

Jyoti Sancheti
Company Secretary



STOCK MARKET DATA FOR EQUITY SHARES

The Equity Shares of our Company are listed on the BSE & NSE. Stock market data for our Equity Shares has been given for both BSE and NSE.

For the purpose of this section:

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

Weekly Stock Market Quotation

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

BSE: (Source – www.bseindia.com)

Week Ended on	Closing Price (₹)	High (₹)	Date of High	Low (₹)	Date of Low
September 6, 2019	34.20	36.45	September 4, 2019	27.05	September 3, 2019
August 30, 2019	33.30	36.70	August 27, 2019	32.70	August 29, 2019
August 23, 2019	32.30	38.70	August 19, 2019	31.10	August 22, 2019
August 16, 2019	38.90	42.50	August 13, 2019	38.50	August 16, 2019

NSE: (Source – www.nseindia.com)

Week Ended on	Closing Price (₹)	High (₹)	Date of High	Low (₹)	Date of Low
September 6, 2019	34.00	35.15	September 6, 2019	32.30	September 5, 2019
August 30, 2019	33.60	36.60	August 27, 2019	32.50	August 26, 2019
August 23, 2019	32.90	39.00	August 19, 2019	30.45	August 22, 2019
August 16, 2019	38.85	42.80	August 13, 2019	38.45	August 16, 2019

Monthly Stock Market Quotation

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

BSE: (Source – www.bseindia.com)

Month	High (₹)	Date of High	No. of Shares Traded on date of High	Low (₹)	Date of Low	No. of Shares Traded on date of Low	Average Price for the Month	Total No. of Trading Days
August 2019	45.50	August 9, 2019	22006	31.10	August 22, 2019	21630	35.90	20
July 2019	46.45	July 3, 2019	1786	34.30	July 31, 2019	1345	40.67	23
June 2019	54.70	June 3, 2019	2960	39.00	June 20, 2019	3558	46.16	19
May 2019	58.60	May 28, 2019	11958	46.75	May 13, 2019	5211	51.27	22
April 2019	63.40	April 2, 2019	27420	51.50	April 30, 2019	14811	55.01	19
March 2019	61.00	March 5, 2019	10116	50.75	March 27, 2019	21597	55.19	19

NSE: (Source – www.nseindia.com)

Month	High (₹)	Date of High	No. of Shares Traded on date of High	Low (₹)	Date of Low	No. of Shares Traded on date of Low	Average Price for the Month	Total No. of Trading Days
August 2019	45.85	August 9, 2019	170985	30.45	August 22, 2019	38063	35.93	20
July 2019	47.70	July 1, 2019	15522	34.40	July 31, 2019	13498	40.79	23
June 2019	54.75	June 3, 2019	16936	38.05	June 20, 2019	22057	46.18	19
May 2019	58.60	May 28, 2019	35805	45.70	May 13, 2019	46519	51.26	22
April 2019	61.80	April 15, 2019	347997	52.10	April 11, 2019	28602	54.85	19
March 2019	61.20	March 1, 2019	32916	51.10	March 27, 2019	42651	55.26	19
February 2019	63.00	February 26, 2019	501821	37.60	February 19, 2019	8899	46.64	20

Yearly Stock Market Quotation

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

BSE: (Source – www.bseindia.com)

Year ended on March 31	High (₹)	Date of High	No. of Shares Traded on date of High	Low (₹)	Date of Low	No. of Shares Traded on date of Low	Average Price for the Year
2019	122.75	May 10, 2018	346412	38.10	February 18, 2019	7817	70.97
2018	152.60	April 21, 2017	129018	79.00	March 26, 2018	41453	109.37
2017	194.40	November 1, 2016	308586	72.00	June 24, 2016	25820	119.70

NSE: (Source – www.nseindia.com)

Year ended on March 31	High (₹)	Date of High	No. of Shares Traded on date of High	Low (₹)	Date of Low	No. of Shares Traded on date of Low	Average Price for the Year
2019	122.75	May 10, 2018	2373069	37.6	February 19, 2019	8899	70.97
2018	152.00	April 21, 2017	534158	79.00	March 26, 2018	63755	109.33
2017	194.70	November 1, 2016	1327463	65.40	June 24, 2016	74399	119.76

The closing price of the Equity Shares as on June 11, 2019 was ₹49.30 on the BSE and ₹49.35 on the NSE, the trading day immediately following the day on which Board of Directors approved the Issue.

The closing market price of our Equity Shares as on September 10, 2019, the trading day immediately prior to the date of the Draft Letter of Offer, was ₹ 38.80 on the BSE and ₹ 38.40 on the NSE.

The closing market price of our Equity Shares as on [●], 2019, the trading day immediately prior to the date of the Letter of Offer, was ₹ [●] on the BSE and ₹ [●] on the NSE.

The issue price shall be determined in consultation between the issuer and the lead manager.

STATEMENT OF ACCOUNTING AND OTHER RATIOS

Particulars	31.03.19	31.03.18
Basic and Diluted Earnings per Equity Share (Rs.)	-9.19	-8.53
Return on Net worth (%)	-14.94	-12.06
Net Asset Value/Book Value per Equity share (Rs.)	61.53	70.72
EBITDA	-548.57	-868.48

STATEMENT OF CAPITALIZATION AS RESTATED

(₹ in Lakhs)

Particulars	Pre Issue	As adjusted for the proposed issue*
	As at 31.03.2019	
Total Borrowings		
Current Borrowings	1446.88	[●]
Non Current Borrowings*	1670.67	[●]
<i>*(Including Current Maturities of Rs 284.29 lakhs)</i>		
Total Debt	3117.55	[●]
Total Equity		
Equity Share Capital	1618.64	[●]
Reserves and Surplus	8340.94	[●]
Money received against share warrants*	555.49	
Less: Revaluation Reserves	-	[●]
Less: Misc. Expenditure	-	[●]
Total Capital	10515.07	[●]
Ratio: Non-Current Borrowings / Total Equity	15.89%	[●]

*will be determined post finalization of relevant parameters at the time of finalizing the final Letter of Offer.

MATERIAL DEVELOPMENTS

Except as disclosed herein below, there are no material developments since March 31, 2019, which significantly affect the operations, performance, prospects or financial condition of our Company:

1. Conversion of warrants into Equity Shares as under:

Sr. No.	Name of the Promoters & Promoter Group	No. of Equity Shares Acquired	Mode of Acquisition*	Date of Acquisition
1	Rajni Ranchal	2,12,500	Conversion of warrants	July 9, 2019
2	Aryan Mahajan	2,12,500	Conversion of warrants	July 9, 2019
3	Saras Gupta	2,12,500	Conversion of warrants	July 26, 2019
4	Savvy Ranchal	2,12,500	Conversion of warrants	July 9, 2019

The allotment was done at the price of ₹ 95.50 per Equity Share.

2. Our Company circulated a Postal Ballot Notice dated June 11, 2019 ('Postal Ballot') to seek approval of members vide special resolution approval of Rights Issue, increase in authorised capital, adoption of new set of articles and re-appointment of independent directors. The results of the Postal Ballot were announced on Saturday, July 20, 2019.
3. Mr. Suresh Garg has been appointed as an additional Director (to be designated as an Whole time Director of our Company), in compliance with the requirement under Regulation 17(1) of the SEBI Listing Regulations, pursuant to our Board resolution dated August 26, 2019, for a term of five years, i.e., from September 25, 2019, subject to approval of the Shareholders.
4. The AGM of our Company, is scheduled to be held on September 25, 2019.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters or any of our Directors are or have been categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) action taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action; (iv) outstanding claim involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (v) outstanding proceedings initiated against our Company for economic offences; (vi) defaults or non-payment of statutory dues by our Company; (vii) issues of moral turpitude or criminal liability on the part of our Company (viii) pending litigations involving our Company, Directors, Promoters, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations.

For the purpose of material litigation in (viii) above, our Board in its meeting held on August 12, 2019 has considered and adopted the following policy on materiality for identification of material outstanding litigations to be disclosed by our Company in the Draft Letter of Offer:

- (a) All criminal proceedings, taxation matters, disciplinary actions and actions by statutory or regulatory authorities, involving our Company, Promoters, Directors, or Group Companies, as the case may be has been considered as material;*
- (b) All pending litigation (other than those covered in (a) above) involving our Company, Promoters, Directors, or Group Companies as the case may be, has been considered 'material' where (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹10,00,000/- or 5% of the net profits after tax of the Company for the most recent audited fiscal period, whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*
- (c) All pending litigations involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company has been considered as material;*
- (d) Notices received by our Company, Promoters, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, has not been evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of the Draft Letter of Offer. All information provided below is as of the date of the Draft Letter of Offer.

I. LITIGATION INVOLVING OUR COMPANY

Litigation filed against our Company

Criminal Proceedings against our Company

1. A criminal case bearing registration no. 3205 of 2016 has been filed by the Drug Inspector, Food and Drug Administration, vide State of Maharashtra (“**Complainant**”) before the Additional Chief Judicial Magistrate Nagpur (“**Court**”) against our Company, Atul Ranchal, Ram Pratap Laxmi Chand, Davinder Kumari Ram Pratap, Sunita Kumari Sh. Vipul Ranchal, Rajesh Manmohanlal Mahajan, Saras Gupta Rajesh Mahajan, M. L. Mahajan, Manita Mahajan Ajay Mahajan, Pradeep Kumar, Jitendra Pratap Singh and Dr. D.S. Maity (“**Accused**”) under section 32 read with 18(a)(i) read with section 16 and 34, punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing and selling GoClav 625 Tablets manufactured in the month of March 2015 allegedly ‘of

not standard quality’ for the reasons that "The total Viable Count of Lactic Acid Bacillus is Less (18.33 % of the labelled amount) than the permissible limit." The matter is pending before the Court.

2. A criminal compliant bearing registration no. 4084 of 2016 has been filed by the Drug Inspector, Central Drugs Standard Control Organisation *vide* Union of India (“**Complainant**”) before the Haridwar Chief Judicial Magistrate (“**Court**”) against our Company, Atul Ranchal, Rajesh Mahajan, Durga Shankar Maity and Jitendra Pratap Singh (“**Accused**”) under section 32 read with 18(a)(i) read with section 16 and 17(A), punishable under section 27(b)(i) and 27(d) of the Drugs and Cosmetics Act, 1940 for selling Polyfaz 1.125 (Ceftriaxone & Tazobactam (for injection) manufactured in the month of July 2013 allegedly ‘of not standard quality’ for the reasons that the samples do not confirms to claim as per IP 2010 in respect to the “Particulate matter & Clarity of the solution”. The matter is pending before the Court.
3. A summary criminal case bearing registration no. 304520/2009 has been filed by the Drug Inspector, Food and Drug Administration, MS Thane *vide* Union of India (“**Complainant**”) before the Hon’ble Chief Judicial Magistrate, Thane Court, Thane (“**Court**”) against our Company, Atul Ranchal, Rajesh Mahajan, Durga Shankar Maity, D. L. Vadher and Hitesh Patel (“**Accused**”) under section 32 read with 18(a)(i) read with section 16(1)(a) and 34, punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing and selling FORTICLAV DRY SYRUP (Amoxycillin and Potassium Clavulanate Oral Suspension IP: Batch No. FDS-8065, Manufacturing date June 1, 2008 Expiry Date November 30, 2009) allegedly ‘of not standard quality’ for the reasons that the samples do not confirms to claim as per IP 2007. The matter is pending before the Court for evidence before charge.

Actions and Proceedings initiated by Statutory/Regulatory Authorities against our Company

Nil.

Civil Proceedings against our Company that are considered material as per the materiality policy

1. ICMC Corporation Limited (“**Plaintiff**”) has filed Civil Suit No. 326 of 2013 before the Court of Civil Judge Court No. 2, Nalagarh, District Solan, Himachal Pradesh (“**Court**”) against our Company (“**Defendant**”) for recovery of ₹2.98 lakhs with future interest @ 12% per annum till the realization of the same having been filed by the plaintiff against the defendant. Vide order dated November 5, 2018 the Court passed a decreed with costs for recovery of ₹99,700/- along with interest @ 6% per annum, from the date of filing the suit, till its realization. Our Company has deposited with the Court the decreed amount along with interest through demand draft dated February 13, 2019 of ₹1,41,081 (Rupees One Lakh Forty-one Thousand Eighty-one only).

Other matters considered material

Nil.

Litigation filed by our Company

Criminal Proceedings by our Company

1. Our Company, through its authorised representative, Anil Kumar Pillai (“**Complainant**”) has filed proceedings bearing no. 770/SS/2018 before the Metropolitan Magistrates Court, Andheri, Mumbai (“**Court**”) against Chandrabhagat Pharma Private Limited, Pranav Bhagat and Hemant Bhagat (“**Accused**”) under section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque issued by Chandrabhagat Pharma Private Limited to our Company for payment of consideration for goods supplied aggregating to ₹26.32 lakhs. The matter is pending before the Court for verification of complaint.
2. Our Company (“**Complainant**”) has filed proceedings bearing no. 3665 of 2016 before the Chief Judicial Magistrate Karnal, (“**Court**”) against M/s. Cure Quick Pharmaceuticals and another (“**Accused**”) under section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque issued by M/s. Cure Quick Pharmaceuticals to our Company for payment of consideration for goods supplied aggregating to ₹8.00 lakhs. The matter is pending before the Court for defence evidence.

Civil Proceedings by our Company that are considered material as per the materiality policy

1. Our Company (“**Plaintiff**”) has filed civil suit bearing no. 93 of 2016 before the Hon’ble Civil Judge (Sr. Div.) Nalagarh, Himachal Pradesh (“**Court**”) against Gujarat Medical Services Corporation Limited and the Managing

Director of Gujarat Medical Services Corporation Limited (“**Defendants**”) for recovery of the Earnest Money Deposit of Rs. 4.52 lakhs (along with interest @18% p.a.) provided by the Plaintiff to the Defendants. Vide judgement dated August 9, 2019 the Court decreed exparte for recovery of 4,52,000/- along with interest at the rate of 12% per annum from the date of filing of suit, till date of decision of suit and thereafter at the rate of 6 % per annum from the date of decision till realization of entire amount with costs. The Plaintiff is in the process of getting the said decree executed.

Other matters considered material

Nil.

II. LITIGATION INVOLVING OUR PROMOTERS

Litigation filed against our Promoters

Criminal Proceedings against our Promoters

There are 3 criminal proceedings involving our Promoters, Atul Ranchal and Rajesh Mahajan. For details please refer “*Litigation Involving Our Company - Litigation filed against our Company - Criminal Proceedings against our Company*” beginning on page no. 106.

Actions and Proceedings initiated by Statutory/Regulatory Authorities against our Promoters

Nil.

Civil Proceedings against our Promoters that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

Litigation filed by our Promoters

Criminal Proceedings by our Promoters

Nil.

Civil Proceedings by our Promoters that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

III. LITIGATION INVOLVING OUR DIRECTORS

Litigation filed against our Directors

Criminal Proceedings against our Directors

There are 3 criminal proceedings involving our Directors, Atul Ranchal and Rajesh Mahajan. For details please refer “*Litigation Involving Our Company - Litigation filed against our Company - Criminal Proceedings against our Company*” beginning on page no. 106.

Actions and Proceedings initiated by Statutory/Regulatory Authorities against our Directors.

Nil.

Civil Proceedings against our Directors that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

Litigation filed by our Directors

Criminal Proceedings by our Directors

Nil.

Civil Proceedings by our Directors that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

IV. LITIGATION INVOLVING OUR GROUP ENTITIES

Litigation filed against our Group Entities

Criminal Proceedings against our Group Entities

Nil.

Actions and Proceedings initiated by Statutory/Regulatory Authorities against our Group Entities

Nil.

Civil Proceedings against our Group Entities that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

Litigation filed by our Group Entities

Criminal Proceedings by our Group Entities

Nil.

Civil Proceedings by our Group Entities that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

TAX PROCEEDINGS

A summary of tax proceedings, in a consolidated manner, involving our Company, our Promoters, our Directors, or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax		
Assessment Year 2009-10	1	2.63
Assessment Year 2012-13	1	1,400.72
Assessment Year 2013-14	1	339.51
Assessment Year 2014-15	1	142.85
Assessment Year 2015-16	1	0.68
Assessment Year 2016-17	1	73.45
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax		
Suresh Garg	1	0.19
Indirect Tax	Nil	Nil
Our Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS AND OUR DIRECTORS

Nil

ISSUES OF MORAL TURPITUDE OR CRIMINAL LIABILITY ON THE PART OF OUR COMPANY

There is no outstanding matter of moral turpitude or criminal liability against our Company as on the date of this Draft Letter of Offer.

MATERIAL VIOLATIONS OF THE STATUTORY REGULATIONS BY OUR COMPANY

There are no material violations of the statutory regulations by our Company as on the date of this Draft Letter of Offer.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION

- In accordance with the directions under ad-interim order dated December 28, 2011 u/s 11(1), 11(4) and 11B of SEBI Act and orders of the whole time member of SEBI dated July 9, 2013 and September 10, 2015 our Company, Mr. Atul Ranchal (our Chairman), Mr. Rajesh Mahajan (our Managing Director), Durga Shankar Maity (our erstwhile Chief Executive Officer), Ketan Shah (our erstwhile Chief Financial Officer) and Parvinder Kaur (our erstwhile Company Secretary) were, for a period of 5 years commencing from December 28, 2011, *inter alia* (a) debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market directly or indirectly; and (b) prohibited from raising any further capital from the securities market, in any manner whatsoever for violating certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) Regulations, 2003 (“PFUTP Regulations”) and SEBI (ICDR) Regulations, 2009 in relation to the initial public offering by our Company.

Further, the adjudicating officer (“AO”) of SEBI *vide* order dated January 12, 2015 had imposed individual penalty on our Company, Mr. Atul Ranchal, Mr. Rajesh Mahajan, Durga Shankar Maity, Ketan Shah and Parvinder Kaur in all aggregating to ₹11.80 crore under Section 15HA/ 15HB of SEBI Act. Each of the aforesaid entities preferred an appeal before the Hon’ble Securities Appellate Tribunal, Mumbai (“Hon’ble SAT”) against the said order of the AO dated January 12, 2015. Considering the fact that though belatedly the project at Vadodara is fully operational and the

appellants have already undergone debarment for 5 years and considering the facts of the matter the Hon'ble SAT *vide* its order dated March 21, 2018 modified the said impugned order of the AO dated January 12, 2015 by revising the individual penalty amounts. The revised penalty amounts aggregated to ₹1.30 crore.

Vide the said order dated March 21, 2018 the Hon'ble SAT upheld the decision of the AO that (a) the appellants have indulged in round tripping of funds; (b) failure to disclose material information relating to appointment of an entity for the project work and failure to disclose advance payment of ₹15.30 crore to such entity was in violation of the PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (c) false and misleading statements were made in the RHP and Prospectus relating to the cost of construction in violation of the PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (d) failure to disclose appointment of an entity for supply of plant and machinery and failure to disclose advance payment of ₹13.97 crore made to such entity was in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (e) even after appointing an entity for supply of plant and machinery, false and misleading statements were made in the RHP and Prospectus relating to the purchase of plant and machinery, in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (f) the appellants failed to disclose raising of funds amounting to ₹30.40 crore through ICDs in the RHP and the Prospectus in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (g) false and misleading statements were made in the RHP/Prospectus that the Company has not raised any bridge loan to be repaid from the IPO proceeds in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009. Further, the Hon'ble SAT held that the decision of the AO cannot be sustained that (a) receipt of ₹8.00 crore by way of ICDs from the four connected entities was a fictitious and illusory ICD and hence repayment of ₹8.00 crore to the four connected entities amounts to siphoning of IPO funds; and (b) the appellants have mis-utilized ₹2.50 crore from IPO funds by financing an entity through layer of entities, to trade in the shares of the Company.

The aforesaid appellants have paid the said penalty amount aggregating to ₹1.30 crore to SEBI in April, 2018 in accordance with the directions of Hon'ble SAT *vide* the said order dated March 21, 2018.

Except as stated above, as on the date of the Draft Letter of Offer there have been no disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years including outstanding action.

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Draft Letter of Offer, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorizations”) from the Government of India and various statutory / regulatory / governmental authorities listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or statutory or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of the Draft Letter of Offer.

It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

A. Approvals in Relation to the Issue

1. Our Board pursuant to its resolution dated June 11, 2019 has authorized this Issue.
2. The shareholders of our Company have authorised this Issue, pursuant to a resolution under Section 62 of the Companies Act, 2013, passed *vide* postal ballot the results whereof were declared on July, 20, 2019.
3. Our Company has obtained in-principle approval dated [●] from NSE.
4. Our Company has obtained in-principle approval dated [●] from BSE.

B. Corporate / General Authorizations

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Regulation	Date of Issue	Valid up to
1.	Certificate of Incorporation in the name of ‘Brooks Laboratories Limited’	Registrar of Companies, Punjab, H.P. & Chandigarh	U24232PB2002PLC024910	Companies Act, 1956	January 23, 2002	Valid until cancelled
2.	Certificate of Commencement of Business in the name of ‘Brooks Laboratories Limited’	Registrar of Companies, Punjab, H.P. & Chandigarh	24910 of 2002	Companies Act, 1956	February 19, 2002	Valid until cancelled
3.	Certificate of Registration of Regional Director order for Change of State	Registrar of Companies, Himachal Pradesh	L24232HP2002PLC000267	Companies Act, 1956	October 29, 2012	Valid until cancelled
4.	Permanent Account Number (PAN)	Income Tax Department, Government of India under Income Tax Act, 1961	AACCB5316P	Income Tax Act, 1961	-	Valid until cancelled
5.	Tax Deduction and Collection Account Number (TAN)	Government of India	PTLB12185F	Income Tax Act, 1961	-	Valid until cancelled

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Regulation	Date of Issue	Valid up to
6.	Registration Certificate under the Central Goods and Services Tax Act, 2017	Government of India	02AACCB5316P1ZR - Himachal Pradesh 19AACCB5316P1ZC - West Bengal 24AACCB5316P1ZL – Gujarat 27AACCB5316P1ZF – Maharashtra ⁽¹⁾ 04AACCB5316P1ZN – Chandigarh ⁽¹⁾	The Central Goods and Services Tax Act, 2017	-	Valid until cancelled
7.	Certificate of Importer - Exporter Code (IEC)	Joint Director General of Foreign Trade	2206002990	Ministry of Commerce, Government of India	October 16, 2006	Valid until cancelled
8.	Certificate of Registration cum Membership	Chairman of Pharmaceuticals Export Promotion Council (PHARMEXCIL)	PXL/SSM/I/4780/2008-09	Ministry of Commerce & Industry, Govt. of India, Hyderabad, India	December 16, 2008	Valid until cancelled

1. **Note:** As per the government website <https://services.gst.gov.in> the status of registration certificate under the Central Goods and Services Tax Act, 2017 of the Company for the states of Maharashtra and Chandigarh appears as 'provisional' and 'inactive'. Our Company has not filed any tax returns / made any compliance under these registration certificates with the concerned tax authority/ies. Our Company has not done any transactions under these GSTIN.

C. Material approvals in relation to our business operations:

We require and have obtained the following material approvals in relation to our manufacturing facilities at (i) Baddi, District-Solan, Himachal Pradesh; and (ii) Manglej, District-Vadodara, Gujarat:

- License to work a factory issued by the respective designated authorities under the Factories Act, 1948 to enable the aforesaid manufacturing facilities of our Company to be used as a factory;
- No objection certificate issued by the respective pollution control boards under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution), Act, 1981 and Environmental Protection Act, 1986 granting Consent to Establish industrial plant and activities in relation to the aforesaid manufacturing facilities of our Company.
- Consent and Authorisation from the Gujarat Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution), Act, 1981 and Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2016 framed under the Environmental Protection Act, 1986 granting consent for use of outlet for the discharge of treated effluent and air emission and to operate industrial plant for manufacturing at Manglej, District-Vadodara, Gujarat.
- Renewal of authorisation from the Himachal State Pollution Control Board granting consent for operation under Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2016 framed under the Environmental Protection Act, 1986 for operating a facility for generation, storage and disposal of hazardous wastes subject to compliance with stated terms and conditions in relation the manufacturing facility of our Company at Baddi, District-Solan, Himachal Pradesh. The renewal of the authorization shall be in force up to March 31, 2013


subject to concurrent validity of the renewal of consent under the Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and under section 26 of the Water (Prevention and Control of Pollution) Act. 1974.

5. Licence to manufacture for sale (or for distribution) of drugs issued by the concerned Food and Drugs Control Administration Department of the respective States under the Drugs and Cosmetics Act, 1940 subject to compliance with stated terms and conditions in relation the aforesaid manufacturing facilities of our Company.
6. Entrepreneurs Memorandum filed for registration as a small-scale industry under the Micro, Small and Medium Enterprises Development Act, 2006 for manufacture of (1) Formulation of Beta Lactum in Dosage Form of Tablets; (2) Formulation of Cephalosporins in Dosage Form of Tablets; (3) Formulation of PF General Products in Dosage Form of Tablets; (4) Formulation of Large Volume Parenterals issued by the Public Relations and Complaints Section, Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India subject to compliance with stated terms and conditions in relation the aforesaid manufacturing facilities of our Company.
7. Certificate issued by the designated authorities in relation to our aforesaid manufacturing facilities for complying with Good Manufacturing Practices under the Drugs and Cosmetics Act, 1940 read with Drugs and Cosmetics Rules 1945 for dosage forms, categories and activities - Tablets, Dry Syrups, Injectables (Dry & Liquid), Ophthalmic Solutions (Eye & Ear Drops) and Dry Powder Injections.
8. Certificate issued by the designated authorities in relation to our aforesaid manufacturing facility at Baddi for complying with Good Laboratory Practices under the Drugs and Cosmetics Act, 1940 read with Drugs and Cosmetics Rules 1945.
9. Certificate of stability issued by competent person under the Factories Act, 1948 in relation to our aforesaid manufacturing facilities certifying the structural stability of the building, engineering construction and plant and machinery.
10. Certificate of registration of establishment under the various shops and commercial establishments legislations to enable premises of our Company to be used as a godown or shop or establishment.
11. Certificates of registration issued by the designated authorities under the Contract Labour (Regulation and Abolition) Act, 1970 in relation to our aforesaid manufacturing facilities for engaging contract labourers in various businesses and activities.
12. Certificate of registration of establishment issued by the designated authority under the Employees' State Insurance Act, 1948 in relation to our aforesaid manufacturing facilities.
13. Certificate of registration of establishment issued by the designated authority under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
14. Certificate of registration issued by the designated Profession Tax Officer under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and the Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976.
15. Certificate of verification stamping the weights and measures belonging to our aforesaid manufacturing facilities issued by the designated authorities under the Legal Metrology Act, 2009.
16. License for use of a boiler granted by the designated authority under the Indian Boilers Act, 1923 in relation to the boilers installed at our aforesaid manufacturing facilities.

D. Intellectual Property

Our Company, has been granted the registration of following trademarks as on the date of the Draft Letter of Offer:

Sr. No.	Trade Mark	Class	Description of Property	Trade Mark Application No.	Date of Application	Valid up to
1.	MERIANZ	5	Trade Mark – Word	3995087	November 10, 2018	November 10, 2028
2.	PANTOBROOKS	5	Trade Mark – Word	3995091	November 10, 2018	November 10, 2028

3.	DORBROOKS	5	Trade Mark – Word	3995093	November 10, 2018	November 10, 2028
4.	CLISIC	5	Trade Mark – Word	3995094	November 10, 2018	November 10, 2028
5.	OZARK	5	Trade Mark – Word	3995096	November 10, 2018	November 10, 2028
6.		5	Trade Mark – Device	2219381	October 13, 2011	October 13, 2021

Our Company, has made following applications for registration of trademarks, which are pending as on the date of the Draft Letter of Offer:

Sr. No.	Trade Mark	Class	Description of Property	Trade Mark Application No.	Date of Application	Status
1.	CILITAZ	5	Trade Mark – Word	3995088	November 10, 2018	Objected
2.	FOZONE S	5	Trade Mark – Word	3995089	November 10, 2018	Opposed
3.	CEFSON	5	Trade Mark – Word	3995090	November 10, 2018	Objected
4.	MOOPEN	5	Trade Mark – Word	3995092	November 10, 2018	Opposed
5.	CLAVSAN	5	Trade Mark – Word	3995095	November 10, 2018	Objected
6.	SETEN	5	Trade Mark – Word	3995097	November 10, 2018	Objected
7.	ROVINZ	5	Trade Mark – Word	3995098	November 10, 2018	Objected

E. Material Licenses and Approvals for which applications have been filed by our Company:

Except as stated under, as on the date of the Draft Letter of Offer, there are no material licenses and approvals for which our Company has made any application for registration or renewal.

1. Our Company has made an application dated March 27, 2018 to the Himachal State Pollution Control Board seeking renewal of consent for operation under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and under section 26 of the Water (Prevention and Control of Pollution) Act, 1974 in relation to the manufacturing facility of our Company at Baddi, District-Solan, Himachal Pradesh.

F. Material Licenses and Approvals for which applications are yet to be filed by our Company:

As at the date of the Draft Letter of Offer, there are no material licenses and approvals for which our Company is yet to make any application for registration or renewal.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on June 11, 2019 pursuant to Section 62 of the Companies Act, 2013. The shareholders of our Company have authorised this Issue, pursuant to a resolution under Section 62 of the Companies Act, 2013, passed *vide* postal ballot the results whereof were declared on July, 20, 2019.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Other than as mentioned below, our Company, our Promoters, members of our Promoter Group and our Directors are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Company, our Promoters, certain of our Directors and erstwhile Key managerial Personnel, were in the past, debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market by SEBI for a period of five years commencing from December 28, 2011. In accordance with the directions under ad-interim order dated December 28, 2011 u/s 11(1), 11(4) and 11B of SEBI Act and orders of the whole time member of SEBI dated July 9, 2013 and September 10, 2015 our Company, Mr. Atul Ranchal (our Chairman), Mr. Rajesh Mahajan (our Managing Director), Durga Shankar Maity (our erstwhile Chief Executive Officer), Ketan Shah (our erstwhile Chief Financial Officer) and Parvinder Kaur (our erstwhile Company Secretary) were, for a period of 5 years commencing from December 28, 2011, inter alia (a) debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market directly or indirectly; and (b) prohibited from raising any further capital from the securities market, in any manner whatsoever for violating certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) Regulations, 2003 (“PFUTP Regulations”) and SEBI (ICDR) Regulations, 2009 in relation to the initial public offering by our Company.

Further, the adjudicating officer (“AO”) of SEBI vide order dated January 12, 2015 had imposed individual penalty on our Company, Mr. Atul Ranchal, Mr. Rajesh Mahajan, Durga Shankar Maity, Ketan Shah and Parvinder Kaur in all aggregating to ₹11.80 crore under Section 15HA/ 15HB of SEBI Act. Each of the aforesaid entities preferred an appeal before the Hon’ble Securities Appellate Tribunal, Mumbai (“Hon’ble SAT”) against the said order of the AO dated January 12, 2015. Considering the fact that though belatedly the project at Vadodara is fully operational and the appellants have already undergone debarment for 5 years and considering the facts of the matter the Hon’ble SAT vide its order dated March 21, 2018 modified the said impugned order of the AO dated January 12, 2015 by revising the individual penalty amounts. The revised penalty amounts aggregated to ₹1.30 crore.

The aforesaid appellants have paid the said penalty amount aggregating to ₹1.30 crore to SEBI in April, 2018 in accordance with the directions of Hon’ble SAT vide the said order dated March 21, 2018.

Further, please refer “*Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action*” under the section “*Outstanding Litigations And Material Developments*” beginning on page number 106 of this Draft Letter of Offer

The companies with which our Promoters or our Directors are associated as Promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

None of our Directors are, in any manner, associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoters nor our Directors have been or are identified as Wilful Defaulters.

Eligibility for this Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

- a. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of this Draft Letter of Offer with the SEBI.
- b. The reports, statements and information referred to above are available on the website of BSE and NSE.
- c. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3)(a) and 3(b) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (5) of Part B of Schedule VI of SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, BEING INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, INVENTURE

MERCHANT BANKER SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 12, 2019 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;**
- 2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a) DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
 - b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE 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, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (“SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH AND NOTED FOR COMPLIANCE. THE CERTIFICATE OF REGISTRATION OF INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED AS MERCHANT BANKER BEARING NUMBER INM000012003 WAS VALID FOR A PERIOD OF FIVE YEARS EFFECTIVE FROM AUGUST 30, 2012 UNTIL AUGUST 29, 2017. INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS MADE AN APPLICATION TO SEBI VIDE APPLICATION DATED JUNE 7, 2017 IN TERMS OF REGULATION 8A, UNDER SEBI (MERCHANT BANKERS) REGULATION, 1992 FOR RENEWAL OF ITS SAID MERCHANT BANKING LICENSE AND FOR GRANT OF PERMANENT REGISTRATION AND HAS PAID REQUISITE FEES OF ₹ 9,00,000 (RUPEES NINE LAKHS ONLY) IN ACCORDANCE WITH SCHEDULE II OF THE SEBI (MERCHANT BANKERS) REGULATION, 1992.**
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - NOT APPLICABLE**
- 5) WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’ S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER’ S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. NOT APPLICABLE.**
- 6) ALL APPLICABLE PROVISIONS SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE.**

- 7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER' S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER' S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR' S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER' S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. - NOT APPLICABLE.
- 8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SEPCIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE
- 9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH
- 10) A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT INVESTORS SHALL BE GIVEN AN OPTION TO RECEIVE THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE. ALLOTMENT SHALL BE IN DEMATERIALISED MODE ONLY
- 11) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER: COMPLIED WITH
 - a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI.
- 12) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. NOTED FOR COMPLIANCE.
- 13) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INSTITUTIONAL TRADING PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. NOT APPLICABLE

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules,

regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

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

Disclaimer with respect to jurisdiction

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

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Filing

This Draft Letter of Offer has been filed with SEBI for its observations, at SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI, and with the Stock Exchanges. After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges simultaneously with the filing of the Letter of Offer with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

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

Registrar to the Issue

Link Intime India Private Limited

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

Tel No: + 91 22 4918 6200

Email: brooks.rights@linkintime.co.in

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

Website: www.linkintime.co.in

SEBI Registration Number: INR000004058

Contact Person: Sumeet Deshpande

Company Secretary and Compliance Officer

Jyoti Sancheti

502, Kanakia Atrium-2, Andheri Kurla Road,
Next to Hotel Courtyard Marriott, Andheri (East),
Mumbai – 400093, Maharashtra, India

Tel: +91 22 6193 3100;

E-mail: cs@brookslabs.net

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Letter of Offer, the Abridged Letter of Offer and the CAF, before submitting an Application Form. The Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Letter of Offer.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, including the CAF, the SAF, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

Please note that in accordance with the provisions of the SEBI Circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIB investors, Non-Institutional Investors and Non-Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009, who intend to participate must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the eligibility conditions may optionally apply through the ASBA process or apply through the non-ASBA process. Investors (i) who are not QIBs or Non-Institutional Investors, or (ii) whose application amount is not more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Rights Equity Shares through the non-ASBA process, irrespective of the application amounts.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see “*Terms of the Issue - Procedure for Application*” on page 127.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in the Issue and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

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

OVERVIEW

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, including the CAF, the SAF, the MOA and AOA of our Company, the provisions of the Companies Act, FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on June 11, 2019 pursuant to Section 62 of the Companies Act and was approved by our Equity Shareholders through postal ballot using Postal Ballot Form /Remote Electronic Voting (“e-voting”).

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [●] and [●], respectively.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members as an Eligible Equity Shareholder in respect of the Equity Shares held in physical form as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, Abridged Letter of Offer and CAF(s) only to Eligible Equity Shareholders who have provided an Indian address to our Company. The distribution of the Letter of Offer, Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and the CAFs, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in any restricted jurisdiction.

PRINCIPAL TERMS OF THE ISSUE

Face Value

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

Issue Price

Each Equity Share shall be offered at an Issue Price of ₹ [●] per Equity Share for cash (including a premium of ₹ [●] per Rights Equity Share).

The Issue Price for Rights Equity Shares shall be arrived at by our Company in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date.

Terms of Payment

The full amount of Issue Price ₹ [●] is payable on application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted lesser number of Rights Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. For Equity Shares being offered on rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●] Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his Rights Entitlement.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Share and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares. However, they cannot renounce the same in favour of third parties and the CAF with zero entitlement shall be non-negotiable/ non renounceable.

Ranking

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

Listing and trading of Rights Equity Shares proposed to be issued

Our existing equity shares are currently listed and traded on BSE (Scrip Code: 533543) and NSE (Scrip Code: BROOKS) under the ISIN INE650L01011. The Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be Allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN of our Company and be available for trading.

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

We have made an application for “in-principle” approval for listing of the Rights Equity Shares to the BSE and NSE. We have received such approval from the BSE and NSE dated [●] and [●]. We will apply to the BSE and NSE for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or that the price at which the Equity Shares offered under the Issue will trade after listing on the Stock Exchange. All steps for the completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares to be allotted pursuant to the Issue shall be taken in accordance with law. The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE and NSE under the existing ISIN for Equity Shares.

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

Our Promoters and Promoter Group have undertaken to (a) subscribe, to the full extent of their Rights Entitlement or subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly, with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to any unsubscribed portion (if any) in the Issue, in compliance with Regulation 10(4) of the Takeover Regulations and the applicable law. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall be exempt in terms of Regulation 10(4)(b) of the Takeover Regulations subject to fulfilment of conditions mentioned therein and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialised form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. In case an Equity Shareholder holds Rights Equity Shares in physical form, our Company would issue to the Allottees one certificate for the Rights Equity Shares allotted to each folio (“**Consolidated**

Certificate”). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Equity Shareholder.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of joint holders, the Application Form would be required to be signed by all the joint holders to be considered as valid for allotment of Rights Equity Shares. In case such Equity Shareholders who are joint holders wish to renounce their Rights Entitlement, all such Equity Shareholders who are joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable for rejection.

Nomination Facility to Investor

In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, nomination facility is available in respect of the Equity Shares. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Equity Shareholders who are individuals, a sole Equity Shareholder or the first named Equity Shareholder, along with other joint Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Equity Shares are held by more than one person jointly, the nominee shall become entitled to all rights in the Equity Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF.

In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitles, elects to be registered as holders of the Equity Shares himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“DP”) of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation (Hindi being the regional language of Delhi, where our Registered and Corporate Office is situated) and/or, will be sent by post to the Indian address of the Eligible Equity Shareholders provided to our Company. However, the distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis, including pursuant to the Issue, to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Offer to Non-Resident Eligible Equity Shareholders/Investors

Applications received from NRs for Equity Shares under the Issue shall be, *inter alia*, subject to the conditions imposed from time to time by the RBI under FEMA, in the matter of receipt and refund of Application Money, Allotment, issue of letters of Allotment/allotment advice/share certificates, payment of interest and dividends. General permission has been granted to any person resident outside India to purchase shares offered on a rights basis by an Indian company in terms of FEMA and Regulation 6 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“**FEMA 20, 2017**”). The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

The Equity Shares purchased on a rights basis by Non-Residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original Equity Shares against which Equity Shares are issued on a right basis.

CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.

PROCEDURE FOR APPLICATION

Notices

All notices to the Equity Shareholder(s) required to be given by our Company shall be published in one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language daily newspaper with wide circulation in the state where our registered office is located, in our case being, Marathi daily and/or, will be sent by ordinary post/registered post/speed post the registered address of the Equity Shareholders in India or the Indian address provided by the Equity Shareholders, from time to time. However, the distribution of the Letter of Offer/Abridged Letter of Offer/CAF and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Procedure for Application

The CAF for the Rights Equity Shares offered as part of the Issue would be printed in black ink for all Eligible Equity Shareholders. The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. In case the original CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit. Equity Shareholders should note that those who are making the application in such duplicate CAF should not utilise the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both applications.

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

All QIB applicants, Non-Institutional Investors and other Applicants whose Application Amount exceeds ₹ 2 lakhs can participate in the Issue only through the ASBA process, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs, subject to their fulfilling the eligibility conditions to be an ASBA Investor. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors or (iii) investors whose application amount is less than ₹ 2 lakhs can participate in the Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of circular no. 14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been de recognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Any Equity Shareholders being an OCB is required to obtain prior approval from RBI for applying in this Issue.

CAF

The Registrar to the Issue will dispatch the CAF along with the Abridged Letter of Offer along to all Equity Shareholders as per their Rights Entitlement on the Record Date.

Applicants may choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see “*Terms of the Issue - Application on Plain Paper*” on pages 132 and 142.

The CAF consists of four parts:

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

Option available to the Equity Shareholders

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

An Eligible Equity Shareholder can:

- Apply for Rights Entitlement of Equity Shares in full;
- Apply for Rights Entitlement of Equity Shares in part (without renouncing the other part);
- Apply for Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares (by requesting for split forms);
- Apply for Rights Entitlement in full and apply for additional Equity Shares; and
- Renounce Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares offered, either in full or in part without renouncing the balance, by filling Part A of the CAFs and submit the same along with the application money payable to the Banker(s) to the Issue or any of the collection branches as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Investors at centres not covered by the branches of collecting banks can send their CAFs together with the cheque drawn at par on a local bank at Mumbai, demand draft payable at Mumbai to the Registrar to the Issue by registered post/speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange.

Under the foreign exchange regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required. FVCIs, Category - I AIFs and VCFs are not permitted to participate in the rights issue by listed companies.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register any Equity Shares in favour of the following Renouncees: (i) more than three persons (including joint holders), (ii) partnership firm(s) or their nominee(s), (iii) minors (except applications by minors having valid demat accounts as per the demographic details provided by the Depositors), (iv) HUF (however, you may renounce your Rights Entitlements to the Karta of an HUF acting in his capacity of Karta), or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorised under its constitutions or bye-laws to hold equity shares, as the case may be). Additionally, existing Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities or other laws. Equity Shareholders may also not renounce in favour of persons or entities in the United States or to the account or benefit of a U.S. person (as defined in Regulation S) or to who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such renouncee obtains a prior approval from the RBI. On submission of such approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for our Company of the fact of renouncement to the person(s) applying for Rights Equity Shares in Part ‘C’ of the CAF for the purpose of Allotment of such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. Part ‘A’ of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Rights Equity Shares in favour of any other person.

Procedure for renunciation

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

If you wish to renounce the offer indicated in Part ‘A’, in whole, please complete Part ‘B’ of the CAF. In case of joint holding, all joint holders must sign Part ‘B’ of the CAF. The person in whose favour renunciation has been made should complete and sign Part ‘C’ of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part ‘C’ of the CAF.

To renounce in part/or the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of SAFs. Please indicate your requirement of SAFs in the space provided for this purpose in Part ‘D’ of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company/DP, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part ‘C’ of the CAF and submit the entire CAF to the Banker to the Issue on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three (including you), who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof. All such applications will be treated as applications from Renouncees and shall have to be made through then on -ASBA process only to be considered valid for allotment. Please also see section titled “*Terms of the Issue*” on page 285.

APPLICATIONS FOR NON-ASBA INVESTORS

Eligible Equity Shareholders who are eligible to apply under the Non – ASBA process

The option of applying for Equity Shares through non – ASBA process is available only to Eligible Equity Shareholders whose application amount does not exceed ₹ 2 lakhs as well as Renouncees. All Applicants who are QIBs and Non – Institutional Investors can apply in the Issue only through the ASBA process.

Instructions for Options for Non-ASBA Investors

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF:

No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A (<i>All joint holders must sign in the same sequence</i>)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (<i>All joint holders must sign in the same sequence</i>)

3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renounee(s) OR Renounce your Rights Entitlement to all the Rights Equity Shares offered to you to more than one Renounee	Fill in and sign Part D (<i>all joint holders must sign in the same sequence</i>) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below: (a) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. • (b) For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renounee. Each of the Renounees should fill in and sign Part C for the Rights Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (Joint Renounees are considered as one)	Fill in and sign Part B (<i>all joint holders must sign in the same sequence</i>) indicating the number of Rights Equity Shares renounced and hand it over to the Renounee. The Renounee must fill in and sign Part C (<i>All joint Renounees must sign in the same sequence</i>)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renounee must fill in and sign Part C.

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

Please note that:

- Options 3, 4 and 5 will not be available for Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for SAF should be made for a minimum of one Rights Equity Share or, in either case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.
- Request by the Investor for the SAFs should reach the Registrar on or before last date for receiving request for SAF(s).
- Only the Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor (s) by post at the applicant's risk.
- Equity Shareholders may not renounce in favour of persons or entities in the restricted jurisdictions including the United States or to or for the account or benefit of a "U.S. Person" (as defined in Regulations of the U.S Securities Act, 1933), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for the Rights Equity Shares in Part 'C' of the CAF to receive Allotment of such Rights Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.

- Non-resident Equity Shareholders: Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of this Issue shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- Applicants must write their CAF number at the back of the cheque/demand draft.
- The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Investor, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/DP and Client ID number and his/her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within eight days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilise the original CAF for any purpose including renunciation, even if it is received/found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications.

Our Company or the Registrar to the Issue or the Lead Manager, shall not be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper- Non ASBA

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft, net of bank and postal charges payable at Mumbai which should be drawn in favour of the “Brooks Laboratories Limited– Rights Issue – R” in case of the resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of the “Brooks Laboratories Limited – Rights Issue – NR” in case of the non-resident shareholders applying on repatriable basis and send the same by registered/speed post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date.

The envelope should be superscribed “Brooks Laboratories Limited– Rights Issue – R” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis and “Brooks Laboratories Limited – Rights Issue – NR” in case of non-resident shareholders applying on repatriable basis.

The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Brooks Laboratories Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ 80 per Rights Equity Share;
- Particulars of cheque/demand draft;
- Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order. In case of Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of

the total value of the Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

- Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form (Rights Equity Shares will be allotted in physical form only if the Equity Shares held on the Record Date are in the physical form);
- Allotment option preferred - physical or demat form, if held in physical form;
- Signature of the Equity Shareholders to appear in the same sequence and order as they appear in our records or the Depositories' records
- In case of Non-Resident Equity Shareholders, NRE/FCNR/NRO A/c No. name and address of the bank and branch;
- If payment is made by a draft purchased from an NRE/FCNR/NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/FCNR/NRO A/c; and
- Additionally, all such applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) or to, or for the account or benefit of a “U.S. Person” as defined in Regulation S under the US Securities Act (“Regulation S”). I/we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is, a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Rights Equity Shares is/are, outside the United States, (ii) am/are not a “U.S. Person” as defined in Regulation S, and (iii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilise the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon and no liability shall arise on part of our Company, Lead Manager and its Directors.

Investors are requested to note that CAF or plain paper application with only foreign addresses is liable to be rejected on technical grounds. The CAF or plain paper application should contain the Indian address also if foreign address is mentioned.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

The plain paper application format will be available on the website of the Registrar to the Issue at www.linkintime.co.in.

Last date for Application

The last date for submission of the duly filled in CAF or plain paper application is August 6, 2019. Our Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered.

Mode of payment for Resident Equity Shareholders/Investors

All cheques/drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed 'A/c Payee only' and marked "Brooks Laboratories Limited – Rights Issue –R".

Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed 'A/c Payee only' and marked "Brooks Laboratories Limited – Rights Issue – R" payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager or the Registrar. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Equity Shareholders/Investors

As regards the application by non-resident Equity Shareholders, the following conditions shall apply:

- Individual non-resident Indian applicants who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain application forms from the following address:

Link Intime India Private Limited

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

Tel No: + 91 22 4918 6200

Email: brooks.rights@linkintime.co.in

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

Website: www.linkintime.co.in

SEBI Registration Number: INR000004058

Contact Person: Sumeet Deshpande

Note: *The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided*

- All non-resident Investors should draw the cheques/demand drafts in favour of “Brooks Laboratories Limited – Rights Issue – R” in case of the resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of “Brooks Laboratories Limited – Rights Issue – NR” in case of the non-resident shareholders applying on repatriable basis, crossed “A/c Payee only” for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar to the Issue.
- Non-resident Investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges drawn in favour of Banker to the Issue, crossed “A/c Payee only” and marked as “Brooks Laboratories Limited – Rights Issue – NR” payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made by demand draft payable at Mumbai/cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
- By cheque/draft on a Non-Resident External Account (“NRE”) or Foreign Currency Non-Resident (“FCNR”) Account maintained in India;
- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Mumbai;
- Non-resident Investors applying with repatriation benefits should draw cheques/drafts in favour of and marked “Brooks Laboratories Limited – Rights Issue – NR” and must be crossed ‘account payee only’ for the full application amount, net of bank and postal charges;
- FPIs registered with SEBI must remit funds from special non-resident rupee deposit account;
- Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected;
- In the case of NRI Investors who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRI Investors who remit their application money through Indian Rupee drafts from abroad, refunds and other disbursements, if any, will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor’s bankers;
- Payments through NRO accounts will not be permitted; or
- Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account

maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.

- All cheques/drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of “Brooks Laboratories Limited – Rights Issue – R” and must be crossed ‘account payee only’ for the full application amount, net of bank and postal charges. The CAFs duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- Investors may note that where payment is made by drafts purchased from NRE/FCNR/NRO accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
- In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

General instructions for non-ASBA Investors

- a. Please read the instructions printed on the enclosed CAF carefully.
- b. Applicants that are not QIBs or are not Non - Institutional Investor or those whose application money does not exceed ₹ 2,00,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.
- c. Application should be made on the printed CAF, provided by our Company except as mentioned under the head “*Application on Plain Paper – non ASBA*” on page 132 and 142 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, this Letter of Offer or Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father’s / husband’s name must be filled in block letters.
- d. The CAF together with the cheque/demand draft should be sent to the Banker to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by our Company for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.
- e. Applications where separate cheques/demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected.

- f. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN number allotted under the IT Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- g. Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- h. All payment should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- i. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company.
- j. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.
- k. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- l. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- m. All communication in connection with application for the Rights Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of Allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialised form.
- n. SAFs cannot be re-split.
- o. Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.
- p. Investors must write their CAF number at the back of the cheque/demand draft.
- q. Only one mode of payment per application should be used. The payment must be by cheque/demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.

- r. A separate cheque/draft must accompany each CAF. Outstation cheques/demand drafts or post-dated cheques and postal/money orders will not be accepted and applications accompanied by such cheques/demand drafts/money orders or postal orders will be rejected.
- s. No receipt will be issued for application money received. The Banker to the Issue/Collecting Bank/Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- t. The distribution of the Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Equity Shares.

Do's for non-ASBA Investors:

- Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- Read all the instructions carefully and ensure that the cheque/draft option is selected in part A of the CAF and necessary details are filled in;
- In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialised form only;
- Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity shares in physical form or the depository participant, in case you hold equity shares in dematerialised form; • Ensure that the CAFs are submitted at the collection centres of the Banker to the Issue only on prescribed forms;
- Ensure that the value of the cheque/draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF;
- Ensure that you receive an acknowledgement from the collection centers of the collection bank for your submission of the CAF in physical form;
- Ensure that you mention your PAN allotted under the IT Act with the Application Form, except for Application on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF; and
- Ensure that the Demographic Details are updated, true and correct, in all respects.
- Don'ts for non-ASBA Investors
- Do not apply if you are not eligible to participate in this Issue in terms of the securities laws applicable to your jurisdiction;
- Do not apply on duplicate CAF after you have submitted a CAF to a collection center of the collection bank;
- Do not pay the amount payable on application in cash, by money order or by postal order;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground; and
- Do not submit Application accompanied with Stock invest.

Grounds for Technical Rejection for non-ASBA Investors

Investors are advised to note that applications may be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialised holdings) or with the Registrar (in the case of physical holdings);
- Age of Investor(s) not given (in case of Renouncees);
- Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialised form);
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for renouncee(s) if the signature does not match with the records available with their depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;
- CAFs not duly signed by the sole/joint Investors;
- CAFs by OCBs without specific RBI approval;
- CAFs accompanied by outstation cheques/post-dated cheques/money order/postal order/outstation demand draft;
- In case no corresponding record is available with the depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that, among other thing, the subscriber is not located in restricted jurisdictions and is authorised to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws);
- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application;
- QIBs and other Equity Shareholders applying for Equity Shares in this Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialised form, applying through the non-ASBA process;
- Equity Shareholders not being individuals or HUFs applying for Equity Shares in this Issue for a value not exceeding ₹ 2,00,000, who hold Equity Shares in dematerialised form, applying through the non-ASBA process.

- Renouncee application through ASBA;
- Application not accompanied with separate cheque / Demand Draft per application are liable to be rejected; and
- Application accompanied by CASH, postal order, stockinvest are liable to be rejected.

Please read the Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Lead Manager and we are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, we, our Directors, affiliates, Associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. In relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note in accordance with the provisions of SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are (i) QIBs, (ii) Non-Institutional Investors or (iii) other applicants whose application amount exceeds ₹ 2 lakhs shall mandatorily make use of ASBA facility. All QIBs and Non-Institutional Investors, complying with the eligibility conditions of SEBI circular dated December 30, 2009, must mandatorily invest through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) investors whose application amount is less than ₹ 2 lakhs can participate in the Issue either through the ASBA process or the non ASBA process. Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013 it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on www.sebi.gov.in and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange from time to time. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

ASBA Investors who are eligible to apply under the ASBA Process

An ASBA Investor is an investor (Equity Shareholder) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs. The option of applying for Rights Equity Shares through the ASBA Process is available only to the Equity Shareholders on the Record Date.

All QIBs and Non-Institutional Investors and investors making an application for a value of more than ₹ 2,00,000 and complying with the above conditions, must mandatorily invest through the ASBA process. All Retail Individual Investors

complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process.

To qualify as ASBA Applicants, Eligible Equity Shareholders:

- are required to hold Rights Equity Shares in dematerialized form as on the Record Date and apply for: (i) their Rights Entitlement; or (ii) their Rights Entitlement and Rights Equity Shares in addition to their Rights Entitlement in dematerialized form;
- should not have renounced their Right Entitlement in full or in part;
- should not have split the CAF and further renounced it;
- should not be Renouncees;
- should apply through blocking of funds in bank accounts maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue

CAF

The Registrar will dispatch the CAF to all Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account as provided for under the SEBI circular dated December 30, 2009.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

Mode of payment under ASBA process

The ASBA Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorising the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI Regulations, into the separate bank account maintained by our Company as per the provisions of section 40(3) of the Companies Act. The balance amount remaining after the finalisation of the basis of Allotment shall be either unblocked by the SCSBs or refunded to the Investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Options available to the ASBA Investors applying under the ASBA Process

The summary of options available to the ASBA Investors is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A of the CAF (<i>All joint holders must sign</i>)
Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>)

The ASBA Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Equity Shareholder have selected to apply through the ASBA process option.

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled to, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange.

If you desire to apply for additional Rights Equity Shares please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. The Renouncee applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees nor can renounce their Rights Entitlement.

Application on Plain Paper - ASBA

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. The Equity Shareholder shall submit the plain paper application to the Designated Branch of SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

- The envelope should be superscribed “Brooks Laboratories Limited – Rights Issue – R” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis and “Brooks Laboratories Limited – Rights Issue – NR” in case of non-resident shareholders applying on repatriable basis and should be postmarked

in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with our Company, must reach the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Brooks Laboratories Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount to be blocked at the rate of ₹ 80 per Rights Equity Share;
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Signature of the Shareholders to appear in the same sequence and order as they appear in our records or depositories records; and
- Additionally, all such applicants are deemed to have accepted the following

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) or to or for the account or benefit of a “U.S. Person” as defined in Regulation S under the US Securities Act (“Regulation S”). I/we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement in the United States. I/we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is, a resident of the United States or a “U.S. Person” (as defined in Regulation S,) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Rights Equity Shares is/are, outside the United States, (ii) am/are not a “U.S. Person” as defined in Regulation S, and (iii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Investors are requested to note that CAF or plain paper application with only foreign addresses is liable to be rejected on technical grounds. The CAF or plain paper application should contain the Indian address also if foreign address is mentioned.

The plain paper application format will be available on the website of the Registrar to the Issue at www.linkintime.co.in.

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilise the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

Option to receive Equity Shares in Dematerialised Form

EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

Issuance of Intimation Letters

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in this Issue, along with:

- The number of Rights Equity Shares to be allotted against each successful ASBA Application;
- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

General instructions for Equity Shareholders applying under the ASBA Process:

(a) Please read the instructions printed on the CAF carefully.

(b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) ASBA Applicants are required to select this mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorising the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.

(d) The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.

(e) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended credit” and no allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

(f) All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment or payment by cheque or demand draft or pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.

(h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.

(i) All communication in connection with application for the Rights Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole applicant Equity Shareholder, folio numbers and CAF number.

(j) Only persons outside the United States and other restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws and not Renouncees(s) are eligible to participate.

(k) ASBA Investors who intend to subscribe the Rights Equity Shares of our Company under this Issue shall be eligible to participate under the ASBA Process.

(l) All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities/centres where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.

(m) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading “*Application on Plain Paper - ASBA*” on page 142.

(n) In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. 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 ASBA applications.

(o) Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non-Institutional Investors or are applying in the Issue for Equity Shares for an amount exceeding ₹ 2 lakhs shall mandatorily make use of ASBA facility, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further, all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs subject to their fulfilling the eligibility conditions to be an ASBA Investor.

(p) Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

(q) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's:

- Ensure that the ASBA Process option is selected in the CAF and necessary details are filled in.
- Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.

- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialised form only.
- Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity shares in physical form or the depository participant, in case you hold equity shares in dematerialised form;
- Ensure that the CAFs are submitted at the SCSBs and details of the correct bank account have been provided in the CAF.
- Ensure that there are sufficient funds (equal to [number of Equity Shares as the case may be applied for] X [Issue Price of Equity Shares, as the case may be]) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the bank account maintained with the respective SCSB, of which details are provided in the CAF and have signed the same.
- Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.
- Except for CAFs submitted on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the I. T. Act.
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- Ensure that the Demographic Details are updated, true and correct, in all respects.
- Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.
- Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under applicable law.

Don'ts:

- Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- Do not pay the amount payable on application in cash, by money order or by postal order.
- Do not send your physical CAFs to the Lead Manager to Issue/Registrar/Collecting Banks (assuming that such Collecting Bank is not a SCSB)/to a branch of the SCSB which is not a Designated Branch of the SCSB/Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Do not apply if the ASBA account has been used for five applicants.
- Do not apply through the ASBA Process if you are not an ASBA Investor.
- Do not instruct your respective banks to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection for ASBA Investors

- In addition to the grounds listed under “Grounds for Technical Rejection for non-ASBA Investors” on page 138, applications under the ASBA Process are liable to be rejected on the following grounds:
- Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialised form).
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Sending CAF to a Lead Manager/Registrar/Collecting Bank (assuming that such Collecting Bank is not a SCSB)/to a branch of a SCSB which is not a Designated Branch of the SCSB/Company.
- Renouncee applying under the ASBA Process.
- Insufficient funds are available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- Account holder not signing the CAF or declaration mentioned therein.
- CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorised to acquire the rights and the securities in compliance with all applicable laws and regulations.
- CAFs which have evidence of being executed in/dispatched from restricted jurisdiction.
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Submission of more than five CAFs per ASBA Account.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Submitting the GIR instead of the PAN.
- An Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor and is not a renouncer or a Renouncee not applying through the ASBA process applying through the ASBA process.
- Applications by SCSBs not complying with the SEBI circulars dated September 13, 2012 and January 2, 2013, whereby SCSBs need to ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account should be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.
- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

Depository account and bank details for Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EXISTING EQUITY SHARES ARE HELD BY THE EQUITY SHAREHOLDER ON THE RECORD DATE. ALL EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE

DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository demographic details of these Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("**Demographic Details**"). Hence, Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by the Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account linked to the DP ID. Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date	[●]
Last date for receiving requests for Split Application Forms	[●]
Issue Closing Date	[●]
Finalisation of basis of allotment with the Designated Stock Exchange	[●]
Date of Allotment	[●]
Initiation of Refunds	[●]
Credit of Rights Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of Rights Equity Shares on the Stock Exchange	[●]

Investors are advised to ensure that the CAFs are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of CAFs or on before the Issue Closing Date.

The Board of Directors or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Allotment to the Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue and have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full Allotment in (a) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board or any committee thereof in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(c) Fractional entitlement if any will be rounded off to the next higher integer and the share required for the same will be adjusted from one of the promoter's entitlement.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board or any committee thereof in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential Allotment.

(e) Allotment to any other person as the Board may in its absolute discretion deem fit provided there is surplus available after making full Allotment under (a), (b) and (c) above, and the decision of the Board in this regard will be final and binding.

(f) After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the (a) ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Underwriting

The Issue is not underwritten.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/share certificates/demat credit and/or letters of regret along with refund order or credit the allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those Investors who have opted to receive their Rights Entitlement in dematerialised form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted and are entitled to receive their Rights Entitlement in physical form, our Company will issue share certificates under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order would be sent by registered post/speed post to the sole/first Investors registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

In the case of non-resident Shareholders or Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The share certificate(s) will be sent by registered post or speed post to the Indian address of the Non-Resident Shareholders or Investors as provided to our Company.

Payment of Refund

Mode of making refunds

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

1. **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
2. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. **RTGS** – If the refund amount exceeds ₹ 2 lakhs, the investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors, the refund orders will be despatched through speed post/registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force, and are permitted by the SEBI from time to time.

Refund payment to Non- resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian Rupees based on the U.S. dollars equivalent which ought to be refunded. Indian Rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice/Share Certificates/Demat Credit

Allotment advice/share certificates/demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the relative share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Option to receive Equity Shares in Dematerialised Form

Investors shall be allotted the Rights Equity Shares in dematerialised (electronic) form at the option of the Investor. We have signed a tripartite agreement with NSDL on November 19, 2010 and with CDSL on November 15, 2010 which enables the Investors to hold and trade Equity Shares in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates. The ISIN number of the Equity Shares is INE650L01011.

In this Issue, the allottees who have opted for Equity Shares in dematerialised form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Rights Equity Shares in physical form. No separate CAFs for Rights Equity Shares in physical and/or dematerialised form should be made.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of the Rights Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.*

- For Equity Shareholders already holding Equity Shares in dematerialised form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialised form even if the original Equity Shares are not dematerialised. Nonetheless, it should be ensured that the depository account is in the name(s) of the Equity Shareholders and the names are in the same order as in our records.
- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.
- If incomplete/incorrect beneficiary account details are given in the CAF, then such shares will be credited to a demat suspense a/c which shall be opened by our Company as specified in the SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009.
- The Rights Equity Shares allotted to applicants opting for issue in dematerialised form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the applicant's depository account. It may be noted that Rights Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.
- Dividend or other benefits with respect to the Rights Shares held in dematerialised form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Investment by FPIs and NRIs

On January 7, 2014, the SEBI (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**") were notified by SEBI pursuant to which FIIs, its sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'.

Under the SEBI FPI Regulations, purchase of equity shares by an FPI or an investor group should be below 10% of the total issued capital of an Indian company.

Under the FEMA 20, 2017, no single FPI can hold more than 10% of the paid up capital of an Indian company and the total equity share holding of all FPIs put together in a company is subject to a cap of 24% of the paid up capital of the company. The aggregate limit of 24% can be increased up to the applicable sectoral cap by passing a resolution by the board of the directors followed by passing a special resolution to that effect by the shareholders of the company.

The investments by NRIs are governed by the Regulation 5(3) and Regulation 3(4) of the FEMA 20, 2017.

Our Board of Directors and the Shareholders of our Company have on May 10, 2018 and July 17, 2018 approved increasing the FPI and NRI investment limit to 100% and 24%, respectively. Our Company has informed the designated depository, which monitors the investment limits of companies, about such increase in limits. The same has been taken on record.

Under the FPI Regulations and subject to compliance with all applicable Indian laws, FPIs may issue, subscribe or otherwise deal in offshore derivative instruments (defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying security), directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii)

such offshore derivative instruments are issued after compliance with ‘know your client’ norms and (iii) shall not be issued to or transferred to persons who are resident Indians or NRIs and to entities beneficially owned by residents Indian or NRIs.

Further, Category II FPIs under the SEBI FPI Regulations which are unregulated broad based funds and Category III FPIs under the SEBI FPI Regulations shall not issue, subscribe or otherwise deal in such offshore derivative instruments directly or indirectly. In addition, FPIs are required to ensure that further issue or transfer of any offshore derivative instruments by or on behalf of it is made only to person regulated by an appropriate foreign regulatory authority.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“SEBI AIF Regulations”) prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower, 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. In case the fraud involves (i) an amount which is less than ₹1.00 million or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 2.00 million or with both.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Banker to the Issue/Registrar to the Issue/SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Adequate arrangements shall be made to collect all ASBA Applications and to consider then similar to non-ASBA Applications while finalising the Basis of Allotment.

7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, the entire subscription monies shall be refunded to the Applicants within 15 days from the Issue Closing Date. If there is a delay in the refund of subscription money by more than 8 days after our Company becomes liable to pay the subscription amount, our Company shall pay interest for the delayed period, at rates prescribed under the Companies Act.

Important

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

2. All enquiries in connection with this Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and superscribed “**Brooks Laboratories Limited -Rights Issue**” on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,

L.B.S. Marg, Vikhroli (West),

Mumbai - 400083, Maharashtra, India.

Tel No: + 91 22 4918 6200

Email: brooks.rights@linkintime.co.in

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

Website: www.linkintime.co.in

SEBI Registration Number: INR000004058

Contact Person: Sumeet Deshpande

It is to be specifically noted that the Issue of Rights Equity Shares is subject to the risk factors mentioned in section titled “*Risk Factors*” on page 18.

The Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

As per Regulation 6 of the FEMA Regulations, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, *inter alia*, (i) subscribe for additional shares over and above their rights entitlement; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. **This Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Investors has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

For details, see "*Terms of the Issue*" on page 122.

The above information is given for the benefit of the Applicants/ Investors. 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 Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION IX – 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 our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of filing of the Draft Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

1. Issue Agreement dated September 11, 2019 between our Company and the Lead Manager.
2. Agreement between Link Intime India Private Limited and our Company dated September 11, 2019 appointing them as the Registrar to the Issue.
3. Tripartite agreement dated November 19, 2010 among our Company, Registrar and NSDL.
4. Tripartite agreement dated November 15, 2010 among our Company, Registrar and CDSL.
5. Bankers to the Issue Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

Material Documents

1. Certificate of Incorporation of our Company dated January 23, 2002 issued by the Registrar of Companies.
2. Certificate of Commencement of Business dated February 19, 2002 issued by the Registrar of Companies.
3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
4. Prospectus dated August 22, 2011, in respect of the IPO of equity shares of face value of ₹ 10 each by our Company.
5. Copy of the resolution passed at the meeting of the Board of Directors dated June 11, 2019 authorizing the Rights Issue.
6. Copy of the shareholders resolution passed *vide* postal ballot the results whereof were declared on July, 20, 2019 authorising the Rights Issue.
7. Resolution passed by our Board dated [●] determining the Record Date.
8. Resolution of our Board dated [●], 2019 approving the Issue and finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio.
9. Consents of our Directors, Company Secretary, Compliance Officer, Statutory Auditors, the Lead Manager, legal counsel to the Issue, Bankers to our Company and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
10. Annual Reports of our Company for Fiscals 2019, 2018, 2017, 2016 and 2015 and the limited review report for the three months period ended June 30, 2019.
11. Statement of Tax Benefits report by our statutory auditors, M/s. S G C O & Co., Chartered Accountants, dated September 10, 2019.
12. In-principle approvals dated [●] and [●] issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.
13. Due diligence certificate dated September 12, 2019 addressed to SEBI from the Lead Manager.

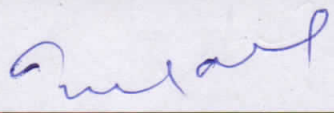
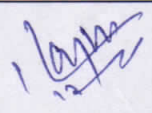
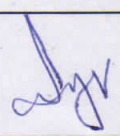
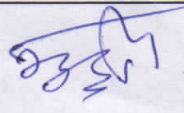
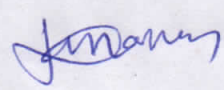
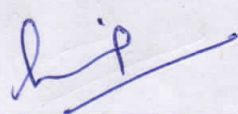
14. SEBI final observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

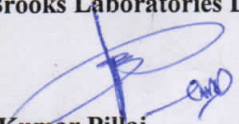
DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

Signed by all the Directors of Brooks Laboratories Limited

Name and designation	Signature
Atul Ranchal Executive Chairman	
Rajesh Mahajan Managing Director	
Suresh Garg Additional Director	
Rajnish Kumar Bedi Independent Director	
Deepak Mahajan Independent Director	
Sonia Gupta Independent Director	

For Brooks Laboratories Limited


Anil Kumar Pillai
Chief Financial Officer

Place: 12/09/2019

Date: Mumbai