



VLCC HEALTH CARE LIMITED

Our Company was incorporated as 'Curls & Curves (India) Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC") on October 23, 1996 at Delhi. Subsequently, the name of our Company was changed to 'Curls & Curves (India) Limited' upon conversion of our Company into a public limited company pursuant to a special resolution of the shareholders of our Company dated March 5, 1999 and a fresh certificate of incorporation was issued by the RoC on April 20, 1999. Subsequently, the name of our Company was changed to 'VLCC Health Care Limited' pursuant to a special resolution of the shareholders of our Company dated October 18, 2004 and a fresh certificate of incorporation was issued by the RoC on November 18, 2004. For details of the change in the registered office of our Company, see the section titled "History and Certain Corporate Matters" on page 180.

Registered Office: M-14 Greater Kailash-II, Commercial Complex, New Delhi 110 048, India; **Telephone:** +91 11 4163 1975; **Facsimile:** +91 11 4108 0266
Corporate Office: 64, HSIIDC, Maruti Industrial Area, Sector 18, Gurgaon 122 015, India; **Telephone:** +91 124 4719 700; **Facsimile:** +91 124 4011 371
Contact Person: Ms. Soniya Khandelwal, Company Secretary and Compliance Officer; **Telephone:** +91 124 4719 700; **Facsimile:** +91 124 4011 371
E-mail: investors@vlccwellness.com; **Website:** www.vlccwellness.com; **Corporate Identity Number:** U74899DL1996PLC082842

PROMOTERS OF OUR COMPANY: MR. MUKESH LUTHRA AND MS. VANDANA LUTHRA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF VLCC HEALTH CARE LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 4,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,766,828 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING AN OFFER FOR SALE OF UP TO 2,552,929 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY INDIVISION INDIA PARTNERS AND AN OFFER FOR SALE OF UP TO 1,213,899 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY LEON INTERNATIONAL LIMITED (TOGETHER, THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY AND THE SELLING SHAREHOLDERS MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹ [●]) ON THE OFFER PRICE TO RETAIL INDIVIDUAL BIDDERS ("RETAIL DISCOUNT").

Our Company is considering a private placement of up to 1,800,000 Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the Offer size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH.

THE PRICE BAND, RETAIL DISCOUNT, IF ANY, AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITION OF [●] (AN ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A HINDI NATIONAL DAILY NEWSPAPER), EACH WITH WIDE CIRCULATION AT LEAST FIVE WORKING DAYS PRIOR TO THE BID OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members by intimation to Self Certified Syndicate Banks ("SCSBs") and Registered Brokers.

Pursuant to Rule 19(2)(b) of the Securities Contracts Regulation Rules, 1957, as amended ("SCRR") read with Regulation 41 of the SEBI Regulations, the Offer is being made for at least 10% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), wherein 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB Portion"). Our Company and Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. All investors, other than Anchor Investors, can participate through the Applications Supported by Blocked Amount ("ASBA") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by SCSBs. However, QIBs (excluding Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA only. For details, see the section titled "Offer Procedure" on page 322.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of the Issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price as determined and justified by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers in accordance with the SEBI Regulations and as stated in the section titled "Basis for Offer Price" on page 110 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect. Further, each Selling Shareholder accepts responsibility for and confirms that the information relating to itself and the Equity Shares being offered by it in the Offer for Sale contained in this Draft Red Herring Prospectus are true and correct in all material aspects and are not misleading in any material respect. Each Selling Shareholder does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to the Company or the other Selling Shareholder in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approvals from the BSE and the NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the [●] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
 ICICI Securities Limited ICICI Centre, H. T. Parekh Marg Churchgate Mumbai 400 020, India Telephone: +91 22 2288 2460 Facsimile: +91 22 2282 6580 E-mail: vlcc ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Anurag Byas SEBI Registration No.: INM000011179	 Citigroup Global Markets India Private Limited 14 th Floor, First International Financial Centre Bandra Kurla Complex Mumbai 400 051, India Telephone: +91 22 6175 9999 Facsimile: +91 22 6175 9897 E-mail: vlcc.ipo@citi.com Investor Grievance E-mail: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm /citigroupglobalscreen1.htm Contact Person: Mr. Aditya Doshi SEBI Registration No.: INM000010718	 Axis Capital Limited Axis House, 1st Floor, C-2 Wadia International Center P. B. Marg, Worli Mumbai 400 025, India Telephone: +91 22 4325 2183 Facsimile: +91 22 4325 3000 E-mail: vlcc.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mr. Akash Aggarwal SEBI Registration No.: INM000012029	 Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gachiboli, Financial District, Nanakramguda Hyderabad – 500 032, India Telephone: +91 40 6716 2222 Facsimile: +91 40 2343 1511 E-mail: einward.ris@karvy.com Investor Grievance E-mail: vlcc.ipo@karvy.com Website: www.karishma.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000021

BID/OFFER PROGRAMME*

FOR ALL BIDDERS:	OFFER OPENS ON [●]
FOR QIBs**:	OFFER CLOSING ON [●]
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS:	OFFER CLOSING ON [●]

*Our Company and Selling Shareholders may, in consultation with the Book Running Lead Managers consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid Opening Date.

**Our Company and Selling Shareholders may, in consultation with the Book Running Lead Managers, decide to close Bidding by QIBs one day prior to the Bid Closing Date in accordance with SEBI Regulations.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, re-enactments and modifications notified thereto. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to “we”, “our” or “us” are to our Company, together with its Subsidiaries (as defined below).

Company Related Terms

Term	Description
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended.
Associate Company	The associate company of our Company, in terms of Section 2(6) of the Companies Act, 2013, being VLCC Caregen Private Limited.
Auditors	The statutory auditors of our Company, being M/s Deloitte Haskins & Sells, Chartered Accountants.
Audit Committee	The audit committee of our Board of Directors constituted in accordance with Clause 49 of the Equity Listing Agreements and Section 177 of the Companies Act, 2013.
“Board” or “Board of Directors” or “our Board”	The board of directors of our Company, as duly constituted from time to time.
Celblos	Celblos Dermal Research Centre Pte. Ltd.
Corporate Office	The corporate office of our Company, located at 64, HSIIDC, Maruti Industrial Area, Sector 18, Gurgaon 122 015, India.
CSR Committee	The corporate social responsibility committee of our Board, constituted in accordance with Section 135 of the Companies Act, 2013.
Director(s)	The director(s) on our Board.
Enavose	Enavose Life Science Research Pte Ltd.
Equity Listing Agreements	Equity listing agreements to be entered into by our Company with the Stock Exchanges for listing of the Equity Shares.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Excel Beauty	Excel Beauty Solution Sdn Bhd.
Group Companies	Such companies as covered under the applicable accounting standards and also other companies as considered material by the Board as described and identified in the section titled “Our Group Companies” on page 233.
GVig	Global Vantage Innovative Group Pte Ltd.
IPO Committee	The committee of our Board constituted for the Offer comprising of Mr. Mukesh Luthra as Chairman and Mr. Sanjay Mehta, Mr. O.P. Khaitan, Mr. Sameer Sain and Mr. Sandeep Ahuja as members.
Key Managerial Personnel	The key managerial personnel as listed in the section titled “Our Management” on page 211.
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with Clause 49 of the Equity Listing Agreements and Section 178 of the Companies Act, 2013.
“Our Company” or “the Company” or “the Issuer”	VLCC Health Care Limited, a public limited company incorporated in India under the Companies Act, 1956.
Preference Shares	Cumulative redeemable 7% preference shares of our Company of ₹ 100 each.

Term	Description
Promoters	The promoters of our Company, namely Mr. Mukesh Luthra and Ms. Vandana Luthra.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in the section titled “ <i>Our Promoters and Promoter Group</i> ” on page 229.
Registered Office	The registered office of our Company, located at M-14 Greater Kailash-II, Commercial Complex, New Delhi 110 048, India.
Selling Shareholders	Indivision India Partners and Leon International Limited.
SNAP	Skin Nutrition Asia Pacific Sdn Bhd.
Stakeholder Relationship Committee	The stakeholder relationship committee of our Board, constituted in accordance with Clause 49 of the Equity Listing Agreements and Section 178 of the Companies Act, 2013.
Subsidiaries	Subsidiaries of our Company as set out in the section titled “ <i>History and Certain Corporate Matters – Subsidiaries of our Company</i> ” on page 188.
VLCC Bahrain	VLCC International (Bahrain) W.L.L.
VLCC Bangladesh	VLCC Personal Care (Bangladesh) Private Limited.
VLCC Education	VLCC Education Lanka (Private) Limited.
VLCC East Africa	VLCC Wellness (East Africa) Limited.
VLCC Healthcare Bangladesh	VLCC Healthcare (Bangladesh) Private Limited.
VLCC Healthcare Lanka	VLCC Healthcare Lanka (Private) Limited.
VLCC India	V.L.C.C. India Limited.
VLCC International Kuwait	VLCC International – Kuwait Health Care Institute Limited Liability Company
VLCC Middle East	VLCC (Middle East) L.L.C.
VLCC Oman	VLCC International Limited Liability Company.
“VLCC Personal Care” or “VPCL”	VLCC Personal Care Limited.
VLCC Qatar	VLCC International Qatar Co. - W.L.L.
VLCC Retail	VLCC Retail Limited.
VLCC Singapore	VLCC Singapore Pte. Ltd.
VLCC Thailand	VLCC Holding (Thailand) Co., Ltd.
VLCC Wellness Research	VLCC Wellness Research Centre Private Limited.
VLCC Wellness Thailand	VLCC Wellness (Thailand) Co., Ltd.
VLCC Wellness Malaysia	VLCC Wellness (M) Sdn. Bhd.
Wyann	Wyann International (M) Sdn Bhd.
Yap Yoga	Yap Yoga Private Limited.

Offer Related Terms

Term	Description
“Allot” or “Allotment” or “Allotted”	The allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares being offered by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders.
Allotment Advice	The advice or intimation of Allotment of the Equity Shares sent to successful Bidders after the Basis of Allotment has been approved by the Designated Stock Exchange, in accordance with the Book Building Process.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI Regulations and who has Bid for an amount of at least ` 100 million.
Anchor Investor Allocation Notice	The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof.

Term	Description
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs on the Anchor Investor Bidding Date.
Anchor Investor Bidding Date	The day, one Working Day prior to the Bid Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which shall be higher than or equal to the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs.
Anchor Investor Pay-in Date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the Anchor Investor Allocation Notice.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated to Anchor Investors by our Company and the Selling Shareholders, in consultation with the BRLMs on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations.
“ASBA” or “Application Supported by Blocked Amount”	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the relevant ASBA Account. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Offer. Anchor Investors are not permitted to participate through the ASBA process.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder as per the Bid cum Application Form submitted by the ASBA bidder.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder	Any Bidder, other than Anchor Investors, in this Offer who Bids through ASBA process.
Axis Cap	Axis Capital Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders, as described in “Offer Procedure – Allotment Procedure and Basis of Allotment” on page 366.
Bid(s)	An indication by a Bidder to make an offer during the Anchor Investor Bidding Date or Bid/Offer Period, pursuant to submission of the Bid cum Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus and the Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut-Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the bid in the Offer, less Retail Discount, if any.
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, Registered Brokers and the Designated Branches of SCSBs will not accept any Bids, and which shall be notified in [●] edition of [●] (an English national daily newspaper) and [●] edition of [●] (a Hindi national daily newspaper), each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the websites and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid Opening Date was published, as required under SEBI Regulations.
Bid cum Application Form	The form in terms of which a Bidder (including ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment.
Bid Lot	[●] Equity Shares.

Term	Description
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid Opening Date and the Bid Closing Date (inclusive of both dates) during which Bidders (including ASBA Bidders), can submit their Bids, including any revisions thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, decide to close the Bidding period for QIBs one day prior to the Bid Closing Date.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, Registered Brokers and the Designated Branches of SCSBs shall start accepting Bids, and which shall be the date notified in in [●] edition of [●] (an English national daily newspaper) and [●] edition of [●] (a Hindi national daily newspaper), each with wide circulation and in case of any revision, the extended Bid Opening Date also to be notified on the websites and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bidder	A prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor.
Bidding	The process of making a Bid.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations in terms of which the Offer is being made.
“Book Running Lead Managers” or “BRLMs”	Book running lead managers to this Offer, being ICICI Securities Limited, Citigroup Global Markets India Private Limited and Axis Capital Limited.
Cap Price	The higher end of the Price Band and any revisions thereof, above which the Offer Price, the Anchor Investor Allocation Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
Citi	Citigroup Global Markets India Private Limited.
Controlling Branches	Such branches of the SCSBs which coordinate with the Registrar to the Offer, the BRLMs and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , and at such other websites as may be prescribed by SEBI from time to time.
Cut-Off Price	The Offer Price, which shall be any price within the Price Band as determined by our Company and the Selling Shareholders, in consultation with the BRLMs, at which only Retail Individual Bidders are entitled to Bid for Equity Shares of an aggregate amount not exceeding ` 200,000. No other category of Bidders is entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders, including address, name of the Bidder’s father/husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the Bid cum Application Forms, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , and updated SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Accounts to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC, following which our Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders shall transfer the Equity Shares in the Offer for Sale.
“Designated Stock Exchange” or “DSE”	[●].
“Draft Red Herring Prospectus” or	This draft red herring prospectus dated September 23, 2015 filed with SEBI, prepared

Term	Description
“DRHP”	and issued by our Company in accordance with the SEBI Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer.
Eligible NRI	An NRI from a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Escrow Account(s)	The accounts opened for this Offer with Escrow Collection Banks and in whose favour cheques or demand drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the Escrow Collection Banks, the Refund Bank(s), the BRLMs and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
“Escrow Collection Banks” or “Bankers to the Offer”	The banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 with whom Escrow Accounts will be opened for this Offer, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revisions thereof, not being less than the face value of Equity Shares and at or above which the Offer Price and Anchor Investor Offer Price will be finalized and below which no Bids will be accepted, in this case being ₹ [●].
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million, to be issued by our Company for subscription pursuant to the terms of the Red Herring Prospectus.
“GID” or “General Information Document”	The ‘General Information Document for Investing in Public Issues’ prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and included in <i>Offer Procedure</i> on page 322.
I Sec	ICICI Securities Limited.
Mutual Fund Portion	5% of the Net QIB Portion, available for allocation to Mutual Funds out of the Net QIB Portion on a proportionate basis.
Net Proceeds	The Offer Proceeds less the amount to be raised with respect to the Offer for Sale and less our Company’s share of the Offer expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
“Non-Institutional Bidders” or “Non-Institutional Investors” “NIIs”	All Bidders (including Category III FPIs, that are not QIBs or Retail Individual Investors and who have Bid for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Offer	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million consisting of the Fresh Issue and the Offer for Sale.
Offer Agreement	The agreement dated September 23, 2015 entered into between our Company, the Selling Shareholders and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 2,552,929 Equity Shares aggregating up to ₹ [●] million by Indivision India Partners and up to 1,213,899 Equity Shares aggregating up to ₹ [●] million by Leon International Limited.
Offer Price	The price (less Retail Discount, if any), which would be determined on the Pricing Date, at which Allotment will be made to successful Bidders, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs in accordance with the Book Building Process and the Red Herring Prospectus.

Term	Description
	Unless otherwise stated or the context otherwise implies, the term Offer Price refers to the Offer Price applicable to investors other than Anchor Investors.
Offer Proceeds	The proceeds of this Offer based on the total number of Equity Shares Allotted under this Offer and the Offer Price.
Pre-IPO Placement	The private placement of up to 1,800,000 Equity Shares for cash consideration aggregating up to ₹ 1,000 million by our Company at its discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the Offer size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band, Retail Discount, if any, and minimum Bid lot decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in an English and Hindi national daily newspaper, each with wide circulation in the place where our Registered Office is situated, at least five Working Days prior to the Bid Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for uploading on their respective websites.
Pricing Date	The date on which the Offer Price and the Anchor Investor Offer Price is determined by our Company and the Selling Shareholders, in consultation with the BRLMs.
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date, including any addenda or corrigenda thereto, in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations containing, <i>inter alia</i> , the Offer Price, Anchor Investor Offer Price, size of the Offer and certain other information.
Public Offer Account	A bank account opened with the Bankers to the Offer under section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
“QFIs” or “Qualified Foreign Investors”	Qualified foreign investors as defined in the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
“QIBs” or “Qualified Institutional Buyers”	Qualified foreign investors as defined under Regulation 2(1)(zd) of the SEBI Regulations.
QIB Bid Closing Date	In the event our Company and the Selling Shareholders, in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid Closing Date, the date one day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date.
QIB Portion	The portion of the Offer being 50% of the Offer available for allocation to QIBs on a proportionate basis including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Anchor Investor Allocation Price.
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued by our Company, including any addenda or corrigenda thereto, in accordance with Section 32 of the Companies Act, 2013 and the SEBI Regulations which will not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds of the whole or part of the Bid Amounts (excluding for the ASBA Bidders), if any, shall be made.
Refund Banker(s)	[●].
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Registered Broker	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate.
“Registered Broker Centre” or “Specified Location”	A broker centre of the stock exchanges with broker terminals, wherein a Registered Broker may accept Bid cum Application Forms, details of which are available on the

Term	Description
	websites of the Stock Exchanges, and at such other websites as may be prescribed by SEBI from time to time.
“Registrar” or “Registrar to the Offer”	Karvy Computershare Private Limited.
Registrar Agreement	The agreement dated September 8, 2015, entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar pertaining to the Offer.
Retail Discount	A discount of up to [●]% (equivalent to ₹ [●]) on the Offer Price that may be offered to Retail Individual Bidders by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, at the time of making a Bid. The Price Band, Retail Discount, if any, and minimum Bid lot decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in an English and Hindi national daily newspaper, each with wide circulation in the place where our Registered Office is situated, at least five Working Days prior to the Bid Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website.
“Retail Individual Bidders” or “Retail Individual Investors” or “RII”	Bidders (including HUFs and Eligible NRIs), who have Bid for an amount less than or equal to ₹ 200,000 in any of the bidding options in the Offer.
Retail Portion	The portion of the Offer being not less than 35% of the Offer, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI Regulations.
Revision Form	The form used by the Bidders, other than QIBs and Non-Institutional Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Sub Syndicate	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms.
Syndicate Agreement	The agreement to be entered into amongst the Syndicate, our Company, the Selling Shareholders and the Registrar in relation to collection of Bids in this Offer (excluding Bids from ASBA Bidders procured directly by SCSBs and Bids procured by Registered Brokers).
Syndicate Bidding Centres	Syndicate and Sub Syndicate centres established for acceptance of the Bid cum Application Form and Revision Forms.
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as underwriters, in this case being [●].
“Syndicate” or “members of the Syndicate”	The BRLMs and the Syndicate Members.
“Transaction Registration Slip” or “TRS”	The slip or document issued by a Syndicate/Sub Syndicate, a Registered Broker or an SCSB (only on demand), as the case may be, to the Bidder as proof of uploading of a Bid.
Underwriters	[●].
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholders on or immediately after the Pricing Date but before filing of Prospectus.
Working Days	All days, other than a Sunday or a public holiday on which commercial banks are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

Term	Description
	For the purpose of the time period between the Bid Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding second and fourth Saturdays, Sundays and bank holidays in India, in accordance with SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010 and notification F. no.4/1/7/2015-IR dated August 20, 2015 issued by the Department of Financial Services, Ministry of Finance, Government of India.

Conventional/General Terms, Abbreviations and Reference to Other Business Entities

Abbreviation	Full Form
AED	Arab Emirates Dirham.
AIFs	Alternative investment funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AGM	Annual general meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BDT	Bangladeshi Taka.
BHD	Bahraini Dinar.
BSE	BSE Limited.
CAGR	Compound annual growth rate.
Category II FPI	FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate identity number.
Client ID	Client identification number of the Bidder’s beneficiary account.
Companies Act, 2013	Companies Act, 2013, to the extent notified.
Consolidated FDI Policy	The current consolidated FDI Policy, effective from May 12, 2015, 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.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996.
“Depository Participant” or “DP”	A depository participant registered with SEBI under the Depositories Act.
DIN	Director identification number.
DP	Depository participant.
DP ID	Depository participant’s identification.
ECS	Electronic clearing system.
EGM	Extraordinary general meeting.
EGP	Egyptian Pound.
EPS	Earnings per share.
ESOS Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign direct investment, as laid down in the Consolidated FDI Policy.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

Abbreviation	Full Form
FII	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
FIPB	Foreign Investment Promotion Board.
“Fiscal Year” or “Financial Year” or “FY”	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
“Foreign Portfolio Investor” or “FPI”	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, including “deemed foreign portfolio investor” as defined thereunder.
FVCI	Foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
GBP	Great Britain Pound.
GIR Number	General Index Register Number.
“GoI” or “Government of India” or “Central Government”	The Government of India.
HUF	Hindu undivided family.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally accepted accounting principles in India.
IPO	Initial public offer.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
“IT Act” or “Income Tax Act”	Income Tax Act, 1961.
KES	Kenyan Shilling.
KWD	Kuwaiti Dinar.
LKR	Sri Lankan Rupee.
Ltd.	Limited.
MCA	Ministry of Corporate Affairs, GoI.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NAV	Net Asset Value.
NCT	National Capital Territory.
NECS	National Electronic Clearing System.
NEFT	National Electronic Funds Transfer.
NIF	National Investment Fund set up by resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NRE Account	Non-Resident External Account established and operated in accordance with FEMA.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account established and operated in accordance with FEMA.
“NR” or “Non Resident”	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCBs	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%

Abbreviation	Full Form
	of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OMR	Omani Rial.
p.a.	Per annum.
PAN	Permanent account number allotted under the IT Act.
PAT	Profit after tax.
PBT	Profit before tax.
PCB	Pollution Control Board.
P/E Ratio	Price/earnings ratio.
PLR	Prime lending rate.
Pvt.	Private.
QAR	Qatari Riyal.
RBI	Reserve Bank of India.
RM	Malaysian Ringgit.
“RoC” or “Registrar of Companies”	Registrar of Companies, NCT of Delhi and Haryana.
₹ or “Rupees” or “Rs.”	Indian Rupees.
RTGS	Real Time Gross Settlement.
Rule 144A	Rule 144A under the Securities Act.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
“SEBI” or “Securities and Exchange Board of India”	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Securities Act	(U.S.) Securities Act of 1933, as amended.
SEZ	Special Economic Zone.
SGD	Singapore Dollar.
SIA	Secretariat for Industrial Assistance.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Sq. ft.	Square foot.
Sq. mt.	Square metre.
State government	The government of a state of Republic of India.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as repealed, and who can continue to buy, sell or otherwise deal in securities under the SEBI (Foreign Portfolio Investor) Regulations, 2014.
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number allotted under the IT Act.
THB	Thai Baht.
TIN	Taxpayer identification number.
“U.S.” or “US” or “U.S.A” or “United States”	The United States of America, together with its territories and possessions.
USD	United States Dollar.

Abbreviation	Full Form
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture Capital Funds as defined and registered with 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.

Industry/Project Related Terms, Definitions and Abbreviations

Abbreviations/ Term	Full Form/ Description
BRIC countries	Brazil, Russia, India and China.
CIA	United States Central Intelligence Agency.
CIA Factbook	United States Intelligence Agency, World Factbook.
CSO	Central Statistical Organization, Government of India.
“F&S” or “Frost & Sullivan”	Frost & Sullivan (India) Private Limited.
F&S Report	Report titled “ <i>Market Assessment for the Beauty and Wellness in India and GCC Market</i> ” dated September 15, 2015, prepared by Frost & Sullivan (India) Private Limited.
“GCC” or “GCC Region”	Gulf Cooperation Council, which includes United Arab Emirates, Oman, Bahrain, Qatar, Kuwait and the Kingdom of Saudi Arabia.
GDP	Gross Domestic Product.
GMP	Good manufacturing practices.
Haridwar Facility	Manufacturing facility of VPCL, situated at Plot No. 11, 12, Sector 6A, Industrial Area, Ranipur, Haridwar.
IDA	India Didactics Association.
IMF	International Monetary Fund.
Khushii	Kinship for Humanitarian Social and Holistic Intervention.
KPMG	KPMG Advisory Services Private Limited.
KPMG NSDC Report	Report titled “ <i>Human Resources and Skill Requirements in the Beauty and Wellness Sector</i> ” prepared by KPMG Advisory Services Private Limited for the National Skill Development Corporation.
Metropolitan city	A city with population of over seven million persons.
NSDC	National Skill Development Corporation.
Personal Care Products	VLCC branded personal care products, functional foods and fortified food products.
Pritikin	Pritikin Longevity Center & Spas.
R&D	Research and development.
RBI	Reserve Bank of India.
“Same Store Sales Growth” or “SSSG”	Same store sales growth means the year on year growth in sales of outlets which have been operational for a period of twelve months in one Fiscal Year as compared to the previous Fiscal Year in the relevant years.
South East Asia	Malaysia, Singapore, Indonesia, Thailand and Hong Kong.
STAR scheme	National Skill Certification and Monetary Reward Scheme.
Tier I	A city with population of two million to seven million persons.
Tier II	A city with population of 0.5 million to two million persons.
Tier III	A city with population below 0.5 million persons.
UAE	United Arab Emirates.
VLCC Institutes	Our vocational education institutes offering courses in beauty services and nutrition.
VLCC Wellness Centers	VLCC branded wellness centers.
WHO	World Health Organization.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI Regulations, the Companies Act, 1956, the Companies Act, 2013, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections titled, “*Statement of Tax Benefits*”, “*Financial Information*”, “*Regulations and Policies*”, “*History and Certain Corporate Matters*”, “*Outstanding Litigation and Material*

Developments”, “*Offer Procedure*” and “*Main Provisions of the Articles of Association*” on pages 113, F-1 to F-88, 176, 180, 279, 322 and 378, respectively, shall have the meanings given to such terms in these respective sections.

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

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India. All references in this Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

Currency and Units of Presentation

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollars” or “USD” are to United States Dollars, the official currency of the United States of America. All references to “Sing \$” or “SGD” are to the Singaporean Dollar, the official currency of the Republic of Singapore. All references to “RM” are to the Malaysian Ringgit, the official currency of Malaysia. All references to “QAR” are to the Qatari Rial, the official currency of the State of Qatar. All references to “AED” are to United Arab Emirates Dirham, the official currency of the United Arab Emirates.

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(₹)

Currency	Exchange rate				
	Exchange rate as on March 31, 2015	Exchange rate as on March 31, 2014	Exchange rate as on March 31, 2013	Exchange rate as on March 31, 2012	Exchange rate as on March 31, 2011
USD	62.53	59.76	54.36	51.85	45.29
SGD	45.49	47.45	43.81	41.24	35.88
AED	17.02	16.27	14.80	14.11	12.33
RM	16.83	18.32	17.43	16.90	14.95
QAR	17.14	16.40	14.92	14.23	12.43
BHD	164.63	154.83	142.40	136.90	119.77
BDT	0.79	0.76	0.68	0.62	0.61
EGP	8.16	8.46	7.94	8.56	7.58
GBP	92.76	99.41	82.56	82.90	72.60
KES	0.66	0.68	0.63	0.61	0.54
KWD	207.78	211.83	189.69	186.40	162.92
LKR	0.46	0.46	0.43	0.40	0.41
OMR	161.70	154.81	140.82	134.29	117.30
THB	1.92	1.84	1.84	1.68	1.49

Source: www.oanda.com

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

Financial Data

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our consolidated restated financial information as of and for the years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015, our restated standalone financial information as of and for the years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015 and the related notes, schedules and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI Regulations.

Certain data included in this Draft Red Herring Prospectus in relation to certain operating metrics, financial and other business related information not otherwise included in the restated financial information have been reviewed and verified by S.N. Dhawan & Co, third party Chartered Accountants. Further, certain data included in this Draft Red Herring Prospectus in relation to financial and other related information not otherwise included in the restated

financial information have been reviewed and verified by A S R & Co., third party Chartered Accountants.

Our Company's Fiscal Year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular Fiscal Year are to the 12 month period ended March 31 of that year, unless otherwise specified.

We prepare our audited financial information in accordance with Indian GAAP, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, 2013, Indian GAAP and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details, see *"Risk Factors – Significant differences exist between the requirements of Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition."* on page 45.

In this Draft Red Herring Prospectus, all figures have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points. However, figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Market and Industry Data

We have commissioned a report titled *"Market Assessment for the Beauty and Wellness in India and GCC Market"* dated September 15, 2015, prepared by Frost & Sullivan (India) Private Limited, for the purposes of confirming our understanding of the industry in connection with the Offer. Data has also been sourced from a report prepared by KPMG Advisory Services Private Limited for the National Skill Development Corporation titled *"Human Resources and Skill Requirements in the Beauty and Wellness Sector"* released in April 2015. Aside from the above, unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications 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. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. The extent to which the market and industry data used in this Draft Red Herring Prospectus 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. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section *"Risk Factors"* on page 16.

The extent to which the market and industry data used in this Draft Red Herring Prospectus 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 health and wellness sector in India and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward looking statements”. 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. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our dependence on our brand recognition and reputation and our failure to maintain or enhance our brand image;
- Our failure to invest in our brand efficiently or conduct our marketing activities effectively;
- The activities of our franchisees, agents and distributors;
- Exposure to consumer complaints and potential litigation due to the nature of our wellness services and products;
- Inadequate insurance coverage;
- Our ability to effectively participate and operate in competitive markets with low barriers to entry;
- Our failure to manage our growth or successfully execute our expansion strategy either in a timely manner or at all;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our international operations;
- The acquisition of other companies, businesses or technologies which could result in operating difficulties, dilution and other adverse consequences; and
- Contingent liabilities that have not been provided for could adversely affect our financial condition.

For a further discussion of factors that could cause our actual results to differ, see the sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16, 148 and 238, respectively. 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.

Forward-looking statements speak only as of the date of the Draft Red Herring Prospectus. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Selling Shareholders, our Directors, our officers, the BRLMs, or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement 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. Our Company and the BRLMs will ensure that investors in India are informed of material developments as required under applicable law or as may be relevant to the Offer, until the commencement of listing and trading of Equity Shares on the Stock Exchanges. Each of the Selling Shareholders will ensure that investors in India are informed of material developments in relation to statements and undertakings expressly made by each Selling Shareholder in the Draft Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchange. Further, in accordance with Regulation 51A of the SEBI Regulations, our Company may be required to undertake an annual updation of disclosures made in this Draft Red Herring Prospectus and make it publicly accessible in the manner specified by SEBI.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision regarding our Equity Shares. The risks described below are not the only ones relevant to us or to our Equity Shares, the industry in which we operate or India and other regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations and financial condition. You should read this section in conjunction with other sections in this Draft Red Herring Prospectus, in particular, sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 148 and 238, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. If any of the risks described below or other risks that are currently not known actually occur, our business, financial condition and results of operations could be adversely affected, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. You should consult your tax, financial and legal advisors regarding the particular consequences to you of an investment in our Equity Shares.

You should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “Forward-Looking Statements” on page 15 of this Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from our consolidated restated financial information.

INTERNAL RISKS

Risks related to our business

1. *We depend on our brand recognition and reputation and our failure to maintain or enhance our brand image could have a material adverse effect on our business, financial condition and results of operations.*

We believe that the recognition and reputation of our “VLCC” brand among consumers has contributed significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our brand are, therefore, critical to our business and competitiveness. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brand. These factors include our ability to:

- maintain the popularity, attractiveness and quality of the services and products we offer;
- maintain or improve consumers’ satisfaction with our services and products; and
- increase brand awareness through investment in brand building initiatives, including through education programs and marketing activities.

Our consumers that use and recommend our services or products have come to expect a high level of efficacy and quality from our services and products, and our failure to deliver on that expectation could adversely impact our brand and reputation. In particular, from time to time we plan on launching new services and products, in both our existing and in new complementary categories, and if any of those services or products does not meet our standards for quality and performance or consumers’ subjective expectations, our brand reputation and the sales of our existing products may also be impacted.

In addition, a public perception that we do not provide satisfactory customer service, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new consumers or retain our current consumers. If we or any other company sold defective wellness products or the public perceived that, as a category, the services that we offer or the products that we sell are generally damaging to health, it could negatively affect consumers' willingness to buy our services and products. Further, consumers may not follow our prescribed directions and incorrectly use our products or information published on our website with respect to typical health or wellness issues, leading to unexpected outcomes, which may in turn result in consumer dissatisfaction, potential complaints, legal proceedings and reputational loss.

As we expand into new geographic markets within India and overseas, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become increasingly difficult and expensive. In addition, novelty of our brand in these new geographic markets may diminish over time.

If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, it may be difficult to maintain and grow our consumer base, which could have a material adverse effect on our business, financial condition and results of operations.

2. *We may fail to invest in our brand efficiently or conduct our marketing activities effectively.*

We incur significant expenses on a variety of different brand investment and marketing efforts designed to expand our brand recognition from a slimming services-focused brand to a comprehensive wellness services and personal care business. We also aim to increase sales of our products, ranging from print and television advertising, visual merchandising in retail outlets to education programs for professionals as well as digital advertising and social media outreach, respectively, which constituted 11.70%, 12.20% and 14.72% of our total revenue for Fiscal Years 2013, 2014 and 2015, respectively. Our brand investment and marketing activities may not be effective with customers and may not result in the levels of sales that we anticipate. In addition, short term adjustments in our level of brand investment may have a long term impact on our brand reputation and ultimately, our results of operations. While brand investment is a key component of reinforcing the relevance of our brand, we view brand investment as a discretionary expenditure and may vary the level of brand investment from time to time.

Our core approach to marketing is an influence and advocacy model that relies on word of mouth as well as endorsement from professionals, brand ambassadors and our customers. While the benefits of converting these sophisticated users into advocates for our "VLCC" brand are significant, the execution risks are greater as compared to a more traditional approach to marketing and advertising for our products and services since we have less direct control over the marketing message.

Failure to allocate appropriate resources to brand investment, to refine our existing marketing approach or to introduce new marketing approaches or use new and emerging marketing channels in an effective manner could reduce our market share, cause our revenue to decline and negatively impact our profitability. Additionally, if our competitors increase their spending on marketing and promotions, our marketing or promotions could become less effective than those of our competitors, and we could experience a material adverse effect on our business, financial condition and results of operations.

3. *The activities of our franchisees, agents or distributors could have a material adverse effect on our goodwill and the "VLCC" brand and also expose us to risks associated with reliance on third parties.*

The "VLCC" brand is integral to our corporate identity. We rely on the general goodwill of consumers towards the "VLCC" brand. Therefore, the reputation and integrity of the parties with whom we engage in business activities, in

particular the franchisees, joint venture partners and other third parties with whom we deal, are important to our own reputation and ability to continue to operate in compliance with our licenses and applicable regulations. Consequently, adverse publicity in relation to our “VLCC” brand or in relation to other franchisees, joint venture partners, agents or distributors of “VLCC” products and services may have a material adverse effect on our reputation. While we endeavor, through contractual protections and otherwise, to ensure that such parties comply with high standards of probity and integrity, such as through proper implementation of our compliance and monitoring systems, we cannot assure you that such parties will always maintain these high standards, which could negatively impact our business, prospects, financial condition and results of operations.

In addition, we depend on franchisees and other third-parties to operate a substantial number of our VLCC Wellness Centers and vocational education institutes. As of July 31, 2015, of our 187 VLCC Wellness Centers in India, 127 were Company-owned and operated and 60 were franchised and of our 49 VLCC Wellness Centers outside of India, one was franchised. In addition, as on July 31, 2015, we had 64 VLCC Institutes across India and one in Nepal, of which 42 were Company-owned and operated and 23 were franchised. While we have entered into agreements with third parties for the franchised VLCC Wellness Centers and vocational education institutes, we may have less control over the operations of these franchises as compared to our Company-owned and operated VLCC Wellness Centers and vocational education institutes. In terms of our franchise agreements, our franchisees operate VLCC Wellness Centers and vocational education institutes under the “VLCC” brand and we receive a percentage of the gross sales generated by the VLCC Wellness Centers and vocational education institutes that they operate. We cannot assure you that our franchisees will be able to establish or maintain adequate revenue generating capabilities. In addition, we are not involved in the marketing activities of these VLCC Wellness Centers and vocational institutes. In the event a franchisee fails to operate its wellness center or vocational education institute in accordance with its franchisee agreement or has different strategic priorities, it could impact our reputation and the profitability of the wellness center or vocational education institute. In addition, if a franchisee ceases to operate its wellness center or vocational education institute in the manner prescribed in the agreements, it may lead to the termination of the franchisee agreement and we may decide to discontinue the operations of the wellness center or vocational education institute, temporarily or permanently. Such discontinuation may adversely impact our brand reputation. We are currently working with the Central Government and various State Governments in India to support their skill-building initiatives by providing training at some of our institutes. For instance, we are presently registered as a vocational training provider under the Skill Development Initiative Scheme with the Arunachal Pradesh, Meghalaya, Mizoram and Nagaland state governments for providing training at our various institutes including those located at Noida, Dwarka, Faridabad, Howarah, Faridabad and Kohima. For risks associated with vocation training institutes imparting training under various Central Government and State government-sponsored schemes and initiatives, see *“Our vocational training business is subject to several risks, including fixed price contracts and delays in payments pursuant to our arrangements with the Central Government and State governments, which may have a material adverse effect on our business, financial condition and results of operations.”* on page 28.

While our franchisees cannot operate similar businesses as our business during the term of the franchise agreement and two years after its termination, a franchisee may operate a similar business thereafter based on the goodwill and reputation created while operating our wellness center or vocational education institute. The non-compete restriction in the franchise agreement is also for a limited period of time, which we may be unable to enforce. This may cause loss of business for our VLCC Wellness Centers or vocational education institutes in areas where such franchisee operates, which could negatively impact our business, prospects, financial condition and results of operations.

4. *We are exposed to consumer complaints and potential litigation due to the nature of our wellness services and products.*

Due to the service nature of our VLCC Wellness Centers, we receive complaints and/or claims from our consumers in the course of providing our beauty and wellness services. Such complaints and/or claims may be made against us on grounds of alleged deficiency in services (arising from different perceptions of results compared to that marketed

or advertised) and personal injuries sustained in the course of a result of the treatments rendered (for example, burns, pimples, pigmentation and allergic reactions) as well as claims in relation to courses offered at our VLCC Institutes. We may also be liable for claims from our consumers if our products are found to be defective or unfit for their intended purposes. In addition, we may be subject to complaints based on malicious rumors regarding our services or products. Such events may generate negative publicity concerning our service standards and product quality, reduce consumers' confidence in our services at our VLCC Wellness Centers and our Personal Care Products and negatively impact our reputation. As a result, our business, profitability and financial performance may be adversely affected and we may also have to incur additional costs to restore our image and reputation.

In the event that complaints from our consumers escalate into legal claims, our image and market reputation could be adversely affected. In addition, resources such as time and legal costs would have to be utilized and incurred to address such claims, thereby further affecting our business and financial performance. We cannot assure you that litigation would not be brought against us in the future. Our liabilities in respect of such claims could have a material adverse effect on our business, financial condition and results of operations.

As on the date of this Draft Red Herring Prospectus, claims by our consumers that have resulted in legal proceedings being instituted against our Company amounted to approximately ₹ 5.68 million. We also maintain insurance coverage for product liability and other key policies, although we have not been required to claim from our insurance companies in relation to disputes arising from our consumers.

5. *Our insurance coverage may be inadequate, which could have a material adverse effect on our business, financial condition and results of operations.*

We insure our property, equipment and product stock in India with various Indian insurance companies. The list of insured accidents include risk of damage caused as a result of fire, gas and other household explosions, flood and water-related accidents, robbery and criminal activity, vandalism and unlawful acts of third parties, power outages, unexpected failure of equipment, terrorism and other similar events. Our insurance currently includes coverage relating to standard fire and special risks such as burglary, damage to properties caused by fire, lightning or explosion, physical loss or damage to project property works as well as relating to professional liability and product liability. We have insurance coverage for cash in safe, fidelity, cash in transit, stock in transit, public liability insurance and loss of profit as well as a medical insurance policy for our employees who are not already covered by the Employees' State Insurance in India. We also have key man insurance coverage for our Promoters as well as a director's and officers' policy for our Directors and certain members of our senior management. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have a material adverse effect on our business, financial condition and results of operations.

We determine the amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage on our assets at a commercially reasonable cost and on suitable terms. While we believe that our level of insurance coverage is customary and appropriate for a company of our size in the industry in which we operate, we cannot provide assurance that the type and level of insurance we maintain is adequate. Our insurance coverage is subject to limitations such as deductibles and maximum liability amounts, and therefore, may not cover all of our losses or recover the business which our customers may have placed with our competitors as a result of such interruptions.

Even if we make a claim under an insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. In addition, there may be various other risks and losses for which we may not be insured because such risks are uninsurable or not insurable on commercially acceptable terms. We may also incur losses that are outside of the coverage of our insurance policies. In the future, we may not be able to obtain insurance coverage at current levels, or at all, and our premiums may increase significantly on the coverage that we maintain. We may also not be able to maintain insurance of the types or at levels which we deem to be

necessary or adequate. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, financial condition and results of operations. For additional details of our insurance arrangements, see "Our Business – Insurance" on page 172.

6. *We participate and operate in competitive markets with low barriers to entry which may increase competition and have a material adverse effect on our business, financial condition and results of operations.*

We operate in highly competitive market segments that are highly fragmented among several market participants. In the general wellness market, we compete with numerous unaffiliated beauty and cosmetic salons and established multinational and Indian companies with sizeable market shares as well as the broader health and beauty industry comprising numerous small competitors. We also believe that free information available on internet websites about health and wellness issues poses a competitive risk.

In India, these competitors include specialty companies and a variety of independent wellness product manufacturers, local beauty salons, spas and fitness gyms as well as online retailers. In the GCC Region and South East Asia we compete with branded skin care, hair care and body care products for our personal products business and with local beauty salons, spas and fitness gyms for our wellness service business.

Barriers to entry for the market segments in which we operate are generally low. We anticipate these low barriers to entry, combined with forecast growth potential in the wellness industry, will lead to increased competition both from established players as well as from new entrants in the industry. This could include attrition of our staff to our competitors or our staff establishing competitive enterprises. Our competitors may have access to substantially greater financial and marketing resources, longer operating histories, better brand recognition and more established relationships in the industry than we do. In addition, new market entrants may have lower production costs and higher profit margins than we do, which may enable them to compete more aggressively in offering retail discounts, rebates and other promotional incentives. For example, independent product manufacturers who distribute their products through online channels may be able to price their products more competitively than we do. Finally, a new enterprise with more advanced or more effective product technology could attempt to replicate our business model by targeting salons and consumers or effectively aggregate independent service providers.

In addition, consolidation among existing beauty and wellness companies may reduce our current or potential consumer base. In such a case, as fewer beauty and wellness companies share the market, pricing pressure is likely to increase. Any or all of these factors can have a material adverse effect on our business, financial condition and results of operations.

7. *We may fail to manage our growth or successfully execute our expansion strategy to open new VLCC Wellness Centers and vocational institutes or introduce new products either in a timely manner or at all, which could have a material adverse effect on our business, financial condition and results of operations.*

Our business strategy includes increasing our sales and consumer base in territories where we are present through opening new VLCC Wellness Centers, opening more vocational institutes; and introducing new products as well as the expansion of our business to new geographic markets. Our ability to successfully implement this strategy requires the investment of significant resources and is subject to numerous risks, including:

- identifying suitable locations on commercially viable lease terms for our VLCC Wellness Centers and VLCC Institutes, the availability of which is outside of our control;
- our newly opened VLCC Wellness Centers not achieving operating results similar to our existing VLCC Wellness Centers;

- our existing VLCC Wellness Centers not achieving continuing operating results similar to those of prior years;
- successful capacity utilization at our VLCC Wellness Centers;
- integrating new VLCC Wellness Centers and VLCC Institutes into our existing operations;
- identifying and satisfying consumer preferences in new geographic areas;
- our ability to attract new customers and retain existing customers;
- continued acceptance by consumers of our services and products and their willingness to endorse our brand;
- our ability to increase consumer spending on our services and products with higher profit margins;
- the absence of relationships with distributors and other retail channel partners for our products and the lack of relevant knowledge of the local beauty care and wellness services and products industry;
- our ability to convert customers from competitors' service or product offerings or convince new customers to purchase our services or products;
- recruiting, training and retaining sufficient skilled technical, sales and management personnel;
- executing project work for each outlet on time and without any unexpected delay in obtaining local regulatory approvals in respective countries;
- adhering to our high quality and process execution standards;
- maintaining high levels of client satisfaction;
- effectively manage our supply chain in a cost-effective manner;
- preserving our culture, values and entrepreneurial environment;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems;
- delays or failure in implementing our plans to expand our product and service category offerings;
- failure of our expanded product offerings to maintain and enhance our distinctive brand identity;
- diversion of management's attention from other aspects of our business and strain on our management, operational and financial resources and our information systems; and
- our ability to modify our business model and our products to adapt to different market dynamics in our existing and new geographic markets.

We expect that our expansion will include the opening of additional VLCC Wellness Centers and vocational education institutes, which may not succeed in realizing the anticipated benefits. For example, failure to attract students or provide training programs that meet the students' expectations of our quality at our new vocational education institutes may negatively impact our brand reputation and business. We may also establish new arrangements with third party vendors in the future to manufacture part of our products, and we cannot assure you that we will be able to effectively develop and maintain such arrangements.

In addition, managing a global business with a wide range of geographic markets at different stages of our business development model, ranging from established markets such as India to other markets in the GCC Region, South East Asia and Africa or any other jurisdictions, presents a significant challenge for our business and our management team. In Fiscal Year 2015, the GCC Region, South East Asia, Africa, Sri Lanka and Bangladesh comprised 29.78%, 8.54%, 0.19%, 0.29% and 1.05% of our total sales, respectively.

Our growth strategy also creates the risk that new VLCC Wellness Centers we plan to open could draw sales away from our existing centers. We cannot assure you that we will be able to effectively manage our expansion in existing or new geographic markets or that we will not inadvertently draw sales away from our existing VLCC Wellness Centers as we gradually increase our presence in existing markets to maximize our competitive position and financial performance in each market. If we fail to manage our growth or execute our strategies effectively, our expansion may not be successful, which could have a material adverse effect on our business, financial condition and results of operations.

8. *We may be unable to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our international operations.*

As on July 31, 2015, we had 49 VLCC Wellness Centers and one vocational education institute located outside India, including in the UAE, Oman, Bahrain, Qatar, Kuwait, Kenya, Sri Lanka, Bangladesh, Nepal and Malaysia. Our existing and future international operations expose us to a variety of risks, including risks arising from:

- the introduction of restrictions on foreign trade by or against India or by or against foreign countries;
- an inability to attract new consumers due to the lack of brand recognition and knowledge regarding consumer preferences in those markets;
- difficulties in staffing and managing multiple international operations;
- any need to obtain governmental approvals and permits under unfamiliar regulatory regimes;
- increased costs resulting from the need to comply with complex foreign laws and regulations including those relating to export requirements, trade restrictions and tax laws that apply to our international operations;
- imposition of, or unexpected adverse changes in, the laws, regulatory requirements or trade policies of foreign governments;
- increased exposure to foreign currency exchange rate risk;
- restrictions on the transfer of funds into or out of a country;
- inability to obtain adequate insurance;
- inability to maintain or enforce legal rights and remedies, including those relating to intellectual property and trade secrets, at a reasonable cost or at all;
- potential for political unrest, war or acts of terrorism in countries in which we operate, such as the political unrest in certain countries in the Middle East;
- challenges caused by distance, language and cultural differences and by doing business with foreign agencies and governments;

- inability to find and enter into commercially acceptable arrangements with local partners in jurisdictions that mandate local participation, such as the UAE; and
- potentially adverse tax consequences.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we have or plan to have business operations. Our failure to manage these risks successfully could have a material adverse effect on our business, financial condition and results of operations. Furthermore, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If we are unable to successfully build our brand reputation and revenues in our international markets, it may limit our ability to grow our international business.

9. The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other adverse consequences.

As part of our growth strategy, we, from time to time, pursue acquisitions to expand our business. We cannot assure you that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable cost and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. In October 2012, we acquired Wyann International (M) Sdn Bhd (“**Wyann**”), Malaysia and in September 2013, we acquired Global Vantage Innovative Group Pte Ltd (“**GVig**”) Singapore. For details, see “*Our Business—Description of Operations—VLCC Wellness Centers—Beauty and wellness services*” on page 160. We may require some time to realize fully the benefits that we currently anticipate from these acquisitions.

If we attempt to acquire companies outside of India, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need prior approval from the Reserve Bank of India (“**RBI**”) which we may not obtain. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, diversion of management’s attention, failure to retain key personnel, currency risks, risks associated with unanticipated events or liabilities, possible contravention of applicable laws in relation to investment and transfer of shareholding, including any pre-emptive rights of existing shareholders of such entities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments, as well as other economic, political and regulatory risks.

Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, financial condition and results of operations. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

10. Contingent liabilities that have not been provided for could adversely affect our financial condition.

As of March 31, 2015, the following contingent liabilities have not been provided for, as disclosed in “*Financial Information*” on page F-15.

	As at March 31,
	2015
	(₹ million)
Claims against the Company not acknowledged as debts	8.59
Other money for which the Company is contingently liable	
- VAT	14.05
- Income Tax	38.65

- Luxury Tax	7.21
- Service Tax	0.29

In the event that any of these contingent liabilities or a material portion of these contingent liabilities materialize, it could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the current Fiscal Year or in the future. For further details, see the section titled “*Financial Information*” on pages F-1 to F-88.

11. *We require a number of approvals, licenses, registrations and permits to develop and operate our business, and the failure to obtain or renew these licenses in a timely manner, or at all, may have a material adverse effect on our business, financial condition and results of operations.*

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. While we have obtained a number of required approvals for our operations, certain approvals for which we have submitted applications are currently pending. In addition, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for any new manufacturing facility in the ordinary course of business. For details of key approvals that have been applied for and have not yet been obtained in relation to our operations in India, see the section titled “*Government and Other Approvals*” on page 285. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals thereof, in a timely manner, we may not then be able to carry on certain operations of our business, which would have a material adverse effect on our business, financial condition and results of operations. For example, with respect to our Subsidiary, Wyann, relevant governmental authorities have rejected business licenses for operation for five of Wyann’s centers because Wyann submitted incomplete documents and the business license for one center has expired. Similarly, the license issued by the Supreme Council of Health with respect to one of the branches offices of our Subsidiary, VLCC International Qatar Co. – W.L.L., has expired. Failure to operate business with requisite and valid licenses may induce penalty including a fine or imprisonment or both under relevant local laws. Furthermore, government approvals and licenses are subject to numerous conditions, some of which are onerous and may require us to incur substantial expenditure. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked or that penalties under applicable laws would not be imposed on us in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations or permits that have been or may be issued to us, may have a material adverse effect on our business, financial condition and results of operations.

12. *We may fail to manage our products inventory effectively and we may experience inventory shortages or excess, any of which could harm our business and reputation.*

Our business model requires us to manage our products inventory volume effectively. We depend on our internal demand forecasts for our products to make raw material purchase decisions, manufacture our products and manage our inventory. We must also be aware of inventory levels held by our distributors and retailers and in our other retail distribution channels, which is more difficult to monitor than inventory in our own supply chain. Demand for products, however, can change significantly between the time inventory is ordered and the date by which we hope to sell it for a variety of reasons, including new product launches, changes in product cycles and pricing, product defects, changes in consumer spending patterns, changes in consumer trends with respect to our products and other factors. When we begin selling a new product, it may be difficult to accurately forecast demand, especially our limited or special edition products. We cannot assure you that our two manufacturing facilities in each of Haridwar

and in Singapore will meet the production demand for our Personal Care Products, which could in turn increase our dependence on third parties for our products business. We plan to continue expanding geographically, which will make it more challenging for us to manage our products inventory effectively.

If we fail to manage our products inventory effectively, we may be subject to a heightened risk of significant inventory write-downs or write-offs. In addition, we may be required to lower sale prices in order to reduce inventory level, which may lead to lower gross margins. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other important purposes. Any of the above could have a material adverse effect on our business, financial condition and results of operations. Alternately, if we underestimate demand for our products, or if the third party manufacturers from whom we procure certain of our products fail to deliver our products in a timely manner, we may experience inventory shortages, which might result in missed sales, diminished brand loyalty and lost consumers, any of which could harm our business and reputation.

13. *We may fail to anticipate or respond to changes in consumer preferences in a timely manner, which could have a material adverse effect on our business, financial condition and results of operations.*

We may not succeed in the introduction and marketing of any new services, products or product innovations or be able to develop and introduce, in a timely manner, innovations to our existing services or products that are responsive to changing consumer needs. Prior to launching a new service or product, forecasting market reaction and customer acceptance can be challenging. Our lack of familiarity or experience with new services and products may make it difficult for us to anticipate consumer demand and preferences, and we may encounter significant competition in service or product categories where we are less established. Failure to successfully manage the launch of a new service or product or to release a service or product that meets our customers' expectations of our quality, effectiveness and performance may impact our brand reputation and negatively affect sales of our existing services or products and future services or product launches.

We may also misjudge consumer demand for our products, which could result in inventory build-up and possible inventory write-downs. In addition, sales of our new services or products may only replace sales of existing services or products without expanding our consumer base or increasing our revenue. Expansion of our service or product offering may also make it more difficult for us to control the quality of the services we provide or ensure proper handling, storage and delivery of our products. We may experience higher return rates on new services or products, receive more complaints from customers and face costly liability claims as a result, which would harm our brand and reputation as well as our financial performance.

We cannot assure you that we will be able to recover our investments in introducing new services or products or expanding into new service or product categories. Failure to accurately track the constant changes in consumer trends, preferences, spending patterns and other lifestyle decisions could have a material adverse effect on our business, financial condition and results of operations.

14. *If we fail to maintain an effective distribution network for the sale of our products or any disruption of civil infrastructure, transport or logistic services, including due to disruption in roadway transport facilities or the national railway, it may create delays in deliveries of products to our distribution centers and points of sale.*

We rely on our network of distributors to safely and efficiently distribute our products to our distribution centers and various points of sale. Our ability to maintain and grow our products business will depend on our ability to maintain, expand and manage a distribution network that in a timely manner delivers our products in all of the cities and countries in which we generate market demand or intend to increase our presence through our sales and marketing activities. However, a significant disruption to our distribution network or civil infrastructure, transport or logistic services resulting from numerous factors, including fire, flood or other natural disasters, signal jamming, power outages, acts of terrorism and vandalism and equipment or system failures may occur. Our insurance may not be adequate to cover some or all losses from these events. If any of these events were to occur, it could cause limited or severe delivery disruption which could result in delays of deliveries and reduced sales. In addition, our distributors are third parties over whom we have relatively limited control, and our distributors may fail to distribute our

products in the manner we contemplate, impairing the effectiveness of our distribution network. Because some of our distributors do not sell our products on an exclusive basis, our products also compete with similar products from our competitors sold by our distributors.

We typically enter into agreements with our distributors without specified time durations, which do not require us to continually renew distribution agreements across our distribution network. Our distributors may elect to terminate their business relationships with us at any time for various reasons. If any of our significant distributors or a significant number of our distributors voluntarily suspend or terminate their relationships with us, or we are otherwise unable to maintain and expand our distribution network effectively, it could have a material adverse effect on our business, financial condition and results of operations.

15. *The illegal distribution and sale by third parties of counterfeit versions of our products could have a negative impact on our reputation and business.*

Third parties may illegally distribute and sell counterfeit versions of our products, which may be inferior or pose safety risks. While we devote resources to the registration and protection of our intellectual property and developing relationships with local customs authorities, we may be unable to prevent the imitation and counterfeiting of our products or the infringement of our trademarks. Customers could confuse our products with these counterfeit products, which could cause them to refrain from purchasing our brands in the future and in turn could have a material adverse effect on our business, financial condition and results of operations. The presence of counterfeit versions of our products in the market could also dilute the value of our brand or otherwise have a negative impact on our reputation.

16. *We depend on our key personnel, and we may fail to attract and retain other qualified personnel in the future.*

We depend on the continued services and performance of our Promoters and key personnel, both in India as well as overseas. Our ability to maintain our position in the beauty and wellness industry depends on our ability to attract, train, motivate and retain highly skilled personnel. The loss of key personnel, including members of management as well as key product development, marketing, and sales personnel, or our inability to recruit new personnel or skilled professionals such as nutritionists and dermatologists or retain the acquired personnel, could disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

As we continue to grow, we cannot guarantee that we will continue to attract the personnel we need to maintain our competitive position. Although our senior management team in India has been associated with us for an average of eight years, we may in the future experience turnover in our senior management team. Our success is substantially dependent on the expertise and services of our management team. In our attempts to replace members of the senior management team, our ability to effect the new members' smooth transitions into their roles may have a negative impact on our business. If we do not succeed in attracting, hiring, and integrating qualified personnel, or retaining and motivating existing personnel including our service professionals, we may be unable to grow effectively. In addition, our sales personnel and members of our vocational training workforce typically have a significant level of expertise with our products and in the beauty and wellness industry as well as established relationships with the salons that sell our products. Any significant losses of personnel in our sales personnel and vocational training workforce could have a material adverse effect on our business, financial condition and results of operations.

17. *Our international expansion requires us to enter into arrangements with local partners which expose us to risks arising from our reliance on them.*

The laws of certain countries in the GCC Region into which we have expanded such as Qatar and the UAE as well as in certain countries where we seek to expand require that we enter into joint venture arrangements with local partners. As a result, from time to time, we selectively invest in new opportunities and/or enter into strategic

alliances and partnerships as a means to gain access to new and important geographies, business opportunities and technical expertise, while potentially reducing capital requirements. Our success will depend on, among other things, our ability to identify and assess potential partners, investments and acquisitions, successfully finance, close and integrate such investments, acquisitions and relevant technologies, control costs and maintain sufficient operational and financial controls, which may distract and/or place significant demands on our management and other resources.

In addition, local laws in the regions into which we have expanded may impose certain restrictions or conditions with respect to our investments. For example, in the GCC Region including Qatar and U.A.E., local nationals are required to hold a majority percentage of shareholding in companies incorporated in such jurisdictions. Accordingly, we have partnered with local nationals to own a majority of the share capital of our Subsidiaries. However, pursuant to arrangements entered into with such local partners, we exercise control and voting rights over the total share capital of such Subsidiaries in addition to related rights including the right to receive dividend and transfer of shares. The financial interest in the share capital, risks and rewards of the business of such Subsidiaries, vest entirely with us and therefore, we consolidate such Subsidiaries as our wholly-owned subsidiaries. However, the enforceability of such arrangements remains subject to applicable local laws of these jurisdictions, for example, the Proxy Law in Qatar and the Anti-Fronting Law in the U.A.E., and there can be no assurance that we will be able to continue to exercise control over these Subsidiaries or continue our business in such jurisdictions, if such arrangements are held to be unenforceable, including on account of these arrangements being interpreted by relevant authorities as contrary to the spirit of such local laws. We may also be subject to criminal charges and penalties. In addition, improperly executed, unregistered or insufficiently stamped instruments with respect to such arrangements could restrict our ability to enforce our financial interests in such entities.

Certain of our international ventures where third parties exercise control over their minority shareholding also pose risks arising from our reliance on our partners and our lack of sole decision-making authority, which may give rise to disputes between us and our partners. For example, in certain Subsidiaries we have acquired including Wyann, GVig and VLCC Wellness (East Africa) Limited, certain third parties continue to hold minority shareholding. Such third parties may have economic or business interests or goals that are inconsistent with our interests and goals, take actions contrary to our objectives or policies, undergo a change of control, experience financial or other difficulties or be unable or unwilling to fulfill their obligations under our arrangements, which could have a material adverse effect on our business, financial condition and results of operations.

18. We are exposed to credit risks associated with our arrangements with our distributors and franchisees and non-payment or untimely payments as well as non-performance by them of their obligations may have a material adverse effect on our business, financial condition and results of operations.

We rely on our network of distributors to distribute our products and have franchise agreements for certain of our VLCC Wellness Centers and our vocational education institutes. Our credit terms vary according to the type of arrangement we have with our distributors and franchisees. If any of our distributors or franchisees fails to make payment to us or becomes insolvent, we could suffer losses and a material adverse effect on our business, financial condition and results of operations. While we believe that we have not experienced material losses in this respect, there is a risk that severe, unusual conditions could affect our distributors' or franchisees' ability to pay their debts, which could result in a material adverse effect on our business, financial condition and results of operations.

For our distributors, we typically ship products on delivery against our acceptance. The documents evidencing title to the products are released to the distributors only against acceptance of post-dated checks for payment at a future date. In case of any disputes or differences or default with regard to our payments or payment of interest which we may levy upon such default, we would have to initiate appropriate recovery proceedings and in many instances in the jurisdiction of the distributor or franchisee which may pose additional challenges due to our unfamiliarity with

the civil laws and procedures of such jurisdiction. In addition, we may be subject to working capital shortages due to delays or defaults in payments by customers.

We also engage agents on a non-exclusive basis for clearance and storage of our products, which are then supplied to our distributors, wholesalers or directly to our VLCC Wellness Centers. Clearing and forwarding agents store our products in their warehouses, although we continue to own the warehoused products. In addition to commission payable to clearing and forwarding agents, we incur costs of local transportation and reimburse certain expenses incurred by such agents in accordance with the terms of the agreements entered into with such agents. While our arrangements with these agents include contractual protections to ensure high standards of service by our agents, we have limited control over such agents, and we cannot assure you that our products will not be misused or subject to transportation or other logistical failures, which would adversely affect our distribution network and also have a material adverse effect on our business, financial condition and results of operations. If our distributors or franchisees default in their payments on an assignment for which we have devoted significant resources or if an order or assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations.

19. Our vocational training business is subject to several risks, including fixed price contracts and delays in payments pursuant to our arrangements with the Central Government and State governments, which may have a material adverse effect on our business, financial condition and results of operations.

As of July 31, 2015, we had 64 VLCC Institutes across India and one in Nepal, of which 42 are Company operated and 23 were franchisee operated. Revenue from our vocational education institutes comprised 4.49%, 4.20% and 4.60% of our consolidated revenue in Fiscal Years 2013, 2014 and 2015, respectively. We currently work with the Central Government and various State governments in India to support their skill-building initiatives by providing training at our institutes under various schemes and initiatives. For instance, we are presently registered as a vocational training provider under the Skill Development Initiative Scheme with various state governments for providing training at our various institutes including those located at Noida, Dwarka, Faridabad, Howarah, Faridabad and Kohima. The State governments typically enter into agreements to govern the terms and conditions for operations of our institutes. Such agreements are usually through limited term contracts, and we cannot assure you that we will continue to be awarded such contracts in the future on terms similar to our existing arrangements or at all. Payments from such State government authorities and agencies may be, and have in the past been, subject to delays, due to reasons such as long procedural formalities and regulatory scrutiny. Such delayed payments could adversely affect our working capital requirements, result in additional finance costs and delay our cash collection. Further, any change in Central Government or State governments may result in a change in policy and reassessment of the existing contracts. Our agreements with State governments and various government agencies typically require us to ensure 70 to 80 percent career placement for our students, either in-house or with third party salons. We are also required to provide assistance to our students upon graduation for setting up their own salons and allow them to use our Personal Care Products at discounted costs. Noncompliance with the terms of our agreements may lead their termination by the relevant government agency. Furthermore, poor placement ratios of students of our vocational training programs may have an adverse impact on our reputation, which, in turn, may hinder us in our efforts to increase partnerships with governmental agencies to expand our vocational training business.

20. We do not own a majority of the premises on which we operate our business, including all of our VLCC Wellness Centers and vocational education institutes, and our business may be subject to disruptions if our lessors do not renew or terminate our lease arrangements in respect of such premises.

We do not own any of the premises on which our VLCC Wellness Centers and vocational education institutes are located. Typically, our lease agreements for our VLCC Wellness Centers and vocational institutes in India have a term of five to nine years, subject to further renewal on mutually acceptable terms, and contain rent escalation clauses. In most of our lease agreements for our VLCC Wellness Centers in India, lessors have no right to terminate

the lease during the term of the agreement (except on account of non-payment of rent and other dues) but we can generally terminate the lease by giving three to four months notice. See “*Our Business—Properties*” on page 173 and “*Our Business—Manufacturing—Facilities*” on page 168. We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these properties. Certain of our lease agreements in India or overseas may have not been registered with local authorities or duly registered as per applicable law. Consequently, we may not be able to enforce these leases in the event of default by the lessor. We may also be required to make additional stamp duty or similar payments for certain of our lease agreements that may currently be insufficiently stamped, which could have an adverse effect on our business, results of operations, cash flows and financial condition. Further, our lease agreements may expire from time to time when the term of the original lease expires, or may be prematurely terminated and there can be no assurance that we may be able to renew any such leases in time and on favorable terms or at all. In addition, we may be unable to recover the costs we incur to customize our leased outlets across the various regions where we operate. In the event that the lessors do not renew our lease agreements at the expiration of such lease agreements or in case our lease agreements are prematurely terminated on any account or should the property become the subject to any litigation or we are unable to recover our customization costs, it could have a material adverse effect on our business, financial condition and results of operations.

21. *Changes in technology may affect our competitive position in the future and disruption or failures of our IT systems could have a material adverse effect on our business, financial condition and results of operations.*

Our business strategy includes developing an advanced information technology (“IT”) system to better collect and manage our customers’ information across our various service offerings, both to enhance the effectiveness of our service offering and to increase up-selling and cross-selling opportunities. See “*Our Business-Strategies*” on page 156. In addition, production equipment, processes and logistical systems are important technologies in our product manufacturing business. We expect these technologies to continue to play an important role in the processing and delivery of our services and products to customers in a cost-effective manner.

Our ability to compete effectively in the future will, in part, be driven by our ability to efficiently maintain, update and change our technology platforms as well as integrate new technologies into our business. For example, we intend to develop an integrated customer information management platform. The failure to integrate our developed IT platforms, failure to maintain appropriate standards of technology, the failure of technology to perform its intended purpose or the failure to adapt to new technologies may have a material adverse effect on our business, financial condition and results of operations.

In addition, our IT systems are susceptible to operational data loss, general disruptions in functionality, and may not be compatible with new technology. We depend on our IT systems for the effectiveness of our operations and to interface with our consumers and the distributors and retailers that purchase our products, as well as to maintain financial records and accuracy.

22. *We depend on the attitude and ability of our staff to deliver our services effectively.*

As we are in the service industry, positive interaction between our customers and our staff is essential to create customer satisfaction and to grow our business. However, due to the personal nature of such interaction, it is difficult to enforce strict uniform standards. If our staff have poor service attitudes, or are unable to address our customers’ service requirements, we may be unable to ensure customer satisfaction which could in turn result in complaints from our customers. Any such complaints escalating to legal claims or any negative publicity may adversely affect our business and reputation.

23. *We may be unable to manage the complexities of our multi-channel strategy for our wellness products, which could have a material adverse effect on our business, financial condition and results of operations.*

Our business strategy includes investing in our local retail distribution channels both in India and in the other countries in which we operate. See “*Our Business-Strategies- Accelerate growth of the products business*” on page 156. The increasing complexity of our retail distribution channels has resulted, and is expected to continue to result in, increased demands on our managerial, operational and administrative resources and capacity. Effective oversight of sales through each channel is required to ensure that the additional distribution channels allow our products to reach new consumers or facilitate additional purchases by existing consumers instead of only shifting sales from one channel to another. The distributors and retailers who purchase our products may perceive our strategic expansion into, and the increased success of our sales through e-commerce websites or teleshopping channels as placing our business in direct competition with their interests, which could negatively affect our ability to sell our products through the traditional distribution and sales channels. Additionally, given the importance of our brand and reputation to our products, selling products through channels where we have less control over pricing and presentation such as in the GCC Region may adversely impact our customers’ perception of our brand. Our gross margins typically vary across sales channels and within the same sales channel across geographic markets and, as a result, a shift in volumes between sales channels may negatively impact our profitability even while expanding our overall sales. If we do not effectively manage our multi-channel strategy, we may be unable to fully achieve our growth strategies or realize the full benefits of utilizing multiple sales channels, which may harm our business, financial condition and results of operations.

24. *We may not be able to adequately establish and protect our intellectual property rights as a result of non-receipt of registration and may be subject to third parties’ claim for alleged infringement of intellectual property, which could harm our business.*

To establish and protect our intellectual property rights, we rely upon a combination of national, foreign and multi-national trademark and trade secret laws, together with confidentiality agreements and other contractual arrangements. Our expanded intellectual property portfolio through our Company, Promoters and Subsidiaries provides enhanced protection for the technology incorporated into our services and products but may also expose us to additional or increased infringement or litigation regarding our intellectual property. We are dependent on our “VLCC” brand and our ability to maintain and build our brand image successfully. The “VLCC” trademark is currently registered under various classes in the name of VLCC India Limited, our subsidiary, which have been assigned to our Company pursuant to a deed of assignment dated February 2008. Our Company has submitted applications dated April 7, 2008 and April 26, 2011 to the Registrar of Trade Marks, Mumbai for taking this assignment on record, which are currently pending. We currently have 44 registered trademarks in India and 92 registered trademarks internationally, and have 56 applications pending registration in India and 20 applications pending registration internationally. For further details, see the section titled “*Government and Other Approvals*” on page 285. In addition, our Company uses certain trademarks registered or applied for in the name of VLCC Personal Care Limited, our wholly owned Subsidiary, as well as the “Anti-Obesity Day” trademarks which were registered in the name of Ms. Vandana Luthra, our Promoter, for which no formal arrangements have been entered into by our Company.

The measures that we take to protect our intellectual property rights may prove inadequate to prevent third parties from passing off, infringing or misappropriating them. Although we have filed oppositions with the Registrar of Trademarks against registration of trademarks similar to those registered in our name, we cannot assure you that such objections would be successful without excessive delay or at all. We may need to resort to litigation to enforce or defend our intellectual property rights. If a competitor files a trademark application claiming a trademark, service mark or trade dress also used by us, in order to protect our rights, we may have to participate in expensive and time consuming opposition or interference proceedings before the relevant trademark office or agency. Similarly, our

intellectual property rights may be challenged by third parties or invalidated through administrative processes or litigation. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

In addition, even if our intellectual property rights are not directly challenged, disputes with third parties could lead to the weakening or invalidation of our intellectual property rights, or our competitors may independently develop products that are substantially equivalent or superior to our products. Moreover, the laws of certain countries in which we operate or may operate in the future may not protect, and the governments of certain countries may not enforce, intellectual property rights to the same extent as do the laws and government of other countries, which may negate our competitive or technological advantages in such markets. If we are deemed to be infringing a third party's intellectual property and are unable to continue using that intellectual property as we had been, our business and results of operations could be harmed if we are unable to successfully develop non-infringing alternative intellectual property on a timely basis or license non-infringing alternatives or substitutes, if any exist, on commercially reasonable terms. In addition, an unfavorable ruling in intellectual property litigation could subject us to significant liability, as well as require us to cease developing, manufacturing or selling the affected products or using the affected processes or trademarks. Any significant restriction on our proprietary intellectual property that impedes our ability to develop and market our products could have a material adverse effect on our business, financial condition and results of operations.

25. *Failure to protect the confidentiality of our proprietary information and know-how may significantly harm the value of our technology.*

We rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply information independently developed by them or by others to our proposed products, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. The risk that other parties may breach confidentiality agreements or that our trade secrets may become known or may be independently discovered by competitors, could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our services or products and harming our ability to maintain or increase our consumer base.

26. *Failure of our quality control protocols could result in defective or dangerous products being sold, which may require product recalls or other corrective actions.*

Although we have not been subject to any material litigation regarding defective products in the past, and have not conducted any significant product recalls or other material corrective action, these events may occur in the future. Failure to meet our quality control and safety standards or third party certification requirements due to manufacturing defects or supply chain failures may result in adverse effects on our customers, potential litigation exposure, and loss of market share, reputational damage, financial costs and loss of revenue. In addition, if our products fail to meet our quality control standards, we may be required to incur substantial costs in taking appropriate corrective action (including recalling products from customers and sales channels) and to reimburse customers for losses suffered as a result of this failure.

Customers may seek to recover these losses through litigation and, under applicable legal rules, may succeed in any such claim even if there is no negligence or other fault on our part. Placing an unsafe product on the market, failing to notify the regulatory authorities of a safety issue, failing to take appropriate corrective action or failing to meet third party certification requirements or other regulatory requirements relating to product safety could lead to

regulatory investigation, enforcement action and prosecution. Any product quality or safety issue may also result in adverse publicity, which may damage our brand reputation. Any liability resulting from a product defect, if it were to be established in relation to a sufficient volume of claims or to claims for sufficiently large amounts, could have a material adverse effect on our business, financial condition and results of operations.

27. *We depend on the continuing operation of our manufacturing facilities and VLCC Wellness Centers.*

Operations at our manufacturing facilities or VLCC Wellness Centers could be adversely affected by extraordinary events, including fire, explosion, power interruptions, breakdown of appliances, on-site accidents, release of high temperature steam or water, structural collapse, chemical spills, mechanical failures, extended or extraordinary maintenance, road construction or closures of primary access routes, floods, windstorms or other severe weather conditions, directives from government agencies or power interruptions. Any prolonged interruption at our VLCC Wellness Centers or manufacturing facilities could materially reduce our production, sales revenue and affect our results of operations. See “— *Our insurance coverage may be inadequate, which could have a material adverse effect on our business, financial condition and results of operations*” on page 19.

We are particularly dependent on our two manufacturing facilities situated at Haridwar in India and in Singapore, where a substantial majority of our products are produced. Our two facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labor disputes, natural disasters, industrial accidents and the requirement to comply with the applicable laws and directives of relevant government authorities. Our ability to provide an uninterrupted supply of our products is critical to our business. Any sustained interruption in production at any of these sites would have a material adverse effect on our business, financial condition and results of operations.

28. *Any conflict of interest which may occur between our business and any other similar business activities pursued by our Promoters or Directors could have a material adverse effect on our business, financial condition and results of operations.*

While our Promoters do not, as of the date of this Draft Red Herring Prospectus, engage in any other business activities similar to our business lines, we have not entered into any non-solicitation or non-compete arrangements to address any such conflict which may arise in the future. In addition, while none of our Promoters, Directors or members of our Promoter Group has undertaken any business in conflict with our Company, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. We cannot assure you that our Promoters, Directors or members of our Promoter Group will not provide comparable services, solicit our employees or acquire interests in competing ventures in the locations or segments in which we operate, which could have a material adverse effect on our business, financial condition and results of operations.

29. *Our Promoters, Directors and key managerial personnel have interests in us other than normal remuneration, benefits and reimbursement of expenses.*

Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any. In addition to remuneration and reimbursement of expenses, our Directors and Key Managerial Personnel may also be regarded as interested in the Equity Shares held by them, as well as stock options that may be granted to them from time to time under the VLCC Stock Option Plan 2007 or their relatives or to the companies, firms or trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer, and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. Moreover, pursuant to technical knowhow arrangements entered into by our Company and VLCC Personal Care Limited with Ms. Vandana Luthra, she receives certain technical knowhow fees in consideration for knowhow, goodwill and services she provides. In addition, Mr. Mukesh Luthra, our Promoter, and Mr. Sandeep Ahuja, our Managing Director, are also directors of VLCC Wellness Research Centre Private Limited, our wholly owned Subsidiary, which has leased us our Corporate Office. For details, see “Our

Management – Interest of Directors” and “Our Promoter and Promoter Group—Interest of Promoters” on page 216 and page 229, respectively.

30. There are certain legal proceedings pending against our Company, Promoters, Directors and Subsidiaries which, if determined against us, could have a material adverse effect on our business, financial condition and results of operations.

Our Company, Promoters, certain of our Directors and Subsidiaries are currently involved in a number of legal proceedings, pending at different levels of adjudication before various courts and tribunals. A classification of legal proceedings and the monetary amount involved in the cases we are currently involved in is mentioned in brief below:

Name of Entity	Criminal Proceedings	Civil Proceedings	Tax proceedings	Labor disputes	Consumer complaints	Complaints under the Negotiable Instruments Act, 1881	Amount Involved (₹ million)
Company							
<i>By the Company</i>	-	5	-	-	-	-	30.25*
<i>Against the Company</i>	-	7	33**	6	18	-	90.50*
Promoters							
<i>Against the Promoters</i>							
(i) Mr. Mukesh Luthra	-	-	2	-	2 [#]	-	26.75*
(ii) Ms. Vandana Luthra	-	-	- ^{##}	-	2 [#]	-	0.23*
Directors							
<i>Against the Directors</i>							
(i) Mr. Sandeep Ahuja					2	-	0.21*
Subsidiaries							
<i>By the Subsidiaries</i>							
(i) VPCL	-	1	-	-	-	12	6.49*
<i>Against the Subsidiaries</i>							
(i) VPCL	-	4	3***	-	1	-	6.74*
(ii) VLCC Bahrain	-	-	-	1	-	-	Not ascertainable
(iii) VLCC Qatar	-	-	-	1	-	-	Not ascertainable
(iv) VLCC Sri Lanka	-	-	-	-	1	-	4.80*

*To the extent quantifiable.

** In addition to this, our Company has also received three notices of assessment from the Income Tax Department, to which we have replied along with relevant information sought by the department.

*** VPCL has also received three notice of assessment from the Income Tax Department, to which it has replied along with relevant information sought by the department.

[#] Our Company, our Promoters and Directors are joint defendants in these proceedings. Such proceedings are represented against the Company as well as against our Promoters and Directors, as the case may be, in the table above.

^{##} Ms. Vandana Luthra has received two notices for appearance and furnishing of information, in relation to returns filed by her for income tax and wealth tax in Assessment Year 2013-2014 and has also received a notice in relation to alleged short payment of service tax till August 2014, in Fiscal Year 2015.

Should any new developments arise, including a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, financial condition and results of operations.

In the event significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. We cannot provide any assurance that these matters will be decided in our favor. In addition, even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. This could adversely affect our business, financial condition and results of operation.

For further details in relation to legal proceedings involving our Company, Promoters, Directors and Subsidiaries, see “*Outstanding Litigation and Material Developments*” on page 279.

31. *Product liability claims could damage our reputation and adversely impact our business.*

We may in the future be subject to product liability claims. Claims could be based on allegations that, among other things, our products contain contaminants or have been manufactured incorrectly, involve false or misleading product labeling or advertising, or include inadequate instructions or provide inadequate warnings concerning incorrect or unintended use of products or concerning side effects or interactions with other substances. Even when correlation or causation between our product and a claim or injury is not conclusive, we may decide to, or regulatory authorities may require that we, withdraw the product from the market and/or we may incur significant costs, including the possibility of paying substantial damages. Withdrawals of products from the market and/or the incurrence of significant costs, including the requirement to pay substantial damages in personal injury cases, would materially affect our business and results of operation. In addition, product liability claims could result in negative publicity that could materially adversely affect our sales.

32. *Our employees may abuse our payment collection processes and customer data, and we may be held liable for such abuses.*

Our customers may pay us either by cash, electronic funds transfer, cheque or credit card. Our cash sales result in the availability of cash at each wellness center in a cash drawer or safe, which could be misappropriated by employees if there are any lapses in our internal control systems.

Our staff may also have access to potentially sensitive customer information including the customer’s name, address and contact details. For example, after serving a customer, a therapist is responsible for entering the sale into the point-of-sale database system or for swiping the customer’s credit card with the wellness center’s card scanner. Such customer information could be abused by employees if there are any lapses in our internal control systems, and we may be held liable for such abuses.

33. *Certain events may cause our results to fluctuate, and results for any quarter, in particular the fourth quarter when we typically experience heightened sales, may not necessarily be indicative of the results that may be achieved for the full financial year.*

Our business results may fluctuate depending on our marketing efforts, which include our end-of-Fiscal Year promotional events when our products and services are bundled or sold at a discount. In connection with this peak season resulting from our promotional events, we increase our brand investment and source additional products. In India, we typically experience increased sales in the fourth quarter of a Fiscal Year due to festivals and wedding seasons. In addition, we tend to have significantly lower sales during the Ramadan period in the Gulf region, Malaysia and Bangladesh.

As a result of such factors, results during any interim financial period cannot be used as an accurate indicator of our annual results. In addition, we may take certain marketing actions that could have a disproportionate effect on our business, prospects, financial condition and results of operations in a particular period or selling season. For example, our brand investment substantially increases in anticipation of the release of a new service offering or product, which we may choose to launch at any time of the year. These initiatives may disproportionately impact results in a particular period, and we believe that comparisons of our operating results across quarterly periods are not necessarily meaningful and cannot be relied upon as indicators of future performance.

34. *The prices of raw materials used in the production of our products could rise in the future, and if we are unable to compensate for or pass on the cost of such raw materials to consumers, such increased costs could have an adverse impact on our business, financial condition and results of operations.*

In Fiscal Years 2013, 2014 and 2015, our cost of raw materials and packaging materials constituted 25.97%, 22.91% and 26.39%, respectively, of our revenue from sale of our Personal Care Products. The prices of raw materials and packaging materials used in the production of our products could rise in the future and if we are not able to compensate for or pass on our increased costs to consumers, such increased costs could have an adverse impact on our business, financial condition and results of operations.

35. *We will be controlled by our Promoters so long as they control a majority of our Equity Shares.*

After the completion of the Offer, our Promoters will continue to hold controlling stake in our equity share capital. For more information on the pre-Offer and post-Offer shareholding of our Promoters, see "*Capital Structure*" on page 78. As a result, our Promoters will have the ability to exercise significant control over us and all matters requiring shareholder approval, including election of directors, our business strategy and policies and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also delay, prevent or deter a change in control, even if such a transaction is beneficial to our other shareholders. The interests of our Promoters as our controlling shareholders could also conflict with our interest or the interests of our other shareholders. We have in the past and will continue to enter into related party transactions with our Promoters. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favor and they may take actions that are not in the best interests of our Company or that of our other shareholders. These actions may be taken even if they are opposed by our other shareholders including those who have purchased the Equity Shares in the Offer.

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

Our ability to pay dividends in the future as well as our future dividend policy depend on the profitability of our businesses, our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, restrictive covenants in our present and future financing arrangements as well as restrictions on payment of dividends under applicable local laws of jurisdictions where our Subsidiaries operate. As a result, we cannot assure you that we will pay any dividend in the future.

37. *We are subject to restrictive covenants and interest rate increases under our financing arrangements that could limit our flexibility in managing our business or to use cash or other assets.*

There are restrictive covenants in agreements entered into by our Company and Subsidiaries with certain banks and financial institutions for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior permission of these banks and financial institutions for various activities, including effecting any changes to our capital structure or shareholding pattern, raising fresh capital or any term loans or debentures; undertaking any merger, amalgamation or restructuring, utilizing loans for purposes other than those set out in the financing agreement, implementing any scheme of expansion, diversification or modification (other than incurring routine capital expenditure), disposing of any assets; taking actions that result in a change of control over us, declaring or paying dividends, making investments in other concerns and effecting any amendments in our memorandum and articles of association. We cannot assure investors that we will receive such approvals in a timely manner or at all. In the event our lenders refuse to grant the requisite approvals, or impose onerous conditions in the approvals granted, our business or corporate strategies may be adversely impacted.

In addition, these restrictive covenants may also affect our ability to pay dividends if we are in breach of our obligations to pay amounts owed by us under a relevant financing agreement. Certain financing agreements also require us to maintain specified financial ratios. Certain financial ratios we are subject to under our financing arrangements are calculated at a consolidated level. Therefore, results of operation of our Subsidiaries may also affect our compliance with such covenants at the Company level. We have in the past been unable to comply with financial ratios and covenants which we are subject to under our financing arrangements. While we have obtained waivers from these lenders to cure our non-compliance, in the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, certain of our financing arrangements also contain cross default provisions which could automatically trigger defaults under other financing arrangements and certain financing arrangements provide the banks and financial institutions with the right to convert amounts due into equity in the case of default. For further details on our financing agreements, see "*Financial Indebtedness*" on page 261.

In addition, we are susceptible to changes in interest rates and the risks arising therefrom. Our financing agreements entail interest at variable rates with a provision for the periodic reset of interest rates. See the section "*Financial Indebtedness*" on page 261 for a description of interest payable under our financing agreements. If the interest rates for our existing or future borrowings increase, our cost of servicing our borrowings may increase, which may have a material adverse effect on our business, financial condition and results of operations.

As on March 31, 2015, our total borrowings amounted to ₹ 1,526.54 million on a consolidated basis. Any additional financing that we require to fund our expenditure, if met by way of additional debt financing, may place restrictions on us which may, among other things, limit our ability to pursue our growth plans, require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes, limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

38. *Some of the loan facilities of our Company and Subsidiaries have been secured by personal and corporate guarantees, and any failure or default by our Company or Subsidiaries to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on the guarantors.*

Our Promoter, Mr. Mukesh Luthra, has personally guaranteed the repayment of a loan facility availed by VLCC Bahrain, our Subsidiary and issued post-dated cheques as part of security for certain loan facilities availed by our Company. As at July 31, 2015, outstanding amounts from the credit facility personally guaranteed by Mr. Mukesh Luthra amounted to ₹ 193.85 million, provided to a bank for loan facilities availed by VLCC Bahrain, which constituted 12.81% of our total outstanding indebtedness as of such date. Our Company has given unconditional and irrevocable corporate guarantees to financial institutions for loans availed by our Subsidiaries, amounting approximately to ₹ 985.97 million as on March 31, 2015. Any default or failure by our Company or Subsidiaries to repay their loans in a timely manner, or at all, could trigger repayment obligations on the part of our Promoters or our Company in respect of such loans, which in turn, could have an adverse effect on our business, financial condition and results of operation. In addition, while the corporate guarantees are irrevocable, in the event that our Promoters withdraw or terminate their guarantees, lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

39. *Strikes, work stoppages or increased wage demands by our employees could have a material adverse effect on our business, financial condition and results of operations.*

As of July 31, 2015, we had 4,175 employees, of which 2,778 were employees of our Company and the remainder was employees of our Subsidiaries. Although we have not experienced any material disruptions to our business operations due to disputes or other problems with our work force in the past, we cannot assure you that we will not experience such disruptions in the future. For example, in August 2014, a number of employees at our VLCC Wellness Center in Mumbai held a strike for four days. Such disruptions may have a material adverse effect on our business, financial condition and results of operations and may also divert management's attention and result in increased costs.

We engage independent contractors to provide us with a part of the labor force engaged at our manufacturing facility in Haridwar, India. Although we do not engage these laborers directly, it is possible under Indian law that we may be held responsible for their wage payments to laborers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial condition and results of operations. In addition, pursuant to the provisions of the Contract Labor (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a portion of such contract laborers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business, financial condition and results of operations.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, we cannot assure you that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies, and we may face the threat of labor unrest and work stoppages that would result in a diversion of our management's attention, which may have a material adverse impact on our business, financial condition and results of operations.

We are also subject to laws and regulations governing relationships with employees, such as those involving minimum wage, maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. A shortage of skilled personnel or work stoppages caused by disagreements with our employees could have an adverse effect on our business, financial condition and results of operations.

40. *Our Company and certain of our Subsidiaries have certain credit facilities that are repayable on demand and any unexpected demand of such facilities may adversely affect our business, financial condition and results of operations.*

Our Company and certain of our Subsidiaries have availed certain credit facilities from banks and/or financial institutions that are repayable on demand. In the event that any such loans are called in for repayment, alternative sources of financing may not be available on commercially reasonable terms, or at all. Any such unexpected demand for repayment may materially and adversely affect our and our Subsidiaries' respective business, liquidity, financial condition and results of operations. For further details of the outstanding secured borrowings of our Company and our Subsidiaries including facilities repayable on demand and amounts outstanding thereof as on July 31, 2015, see "Financial Indebtedness" on page 261.

41. *Some of our Subsidiaries have incurred losses in the last three financial years, as applicable.*

Certain of our Subsidiaries have incurred losses in the last completed Fiscal Year. Provided below are the profit/ loss details of our Subsidiaries for Fiscal Years 2015, 2014 and 2013, or financial years as applicable:

Name of Subsidiary	Currency	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
V.L.C.C. India Limited	₹	(12,856)	(8,764)	(9,089)
VLCC Retail Limited	₹	(16,853)	(5,618)	(9,089)
VLCC International Inc.	AED	(644,689)	(510,366)	(326,145)
VLCC International (Bahrain) W.L.L.	BHD	(193,295)	(12,753)	(92,232)
VLCC Wellness (East Africa) Limited	KES	(8,634,367)	NA*	NA*
VLCC International - Kuwait Health Care Institute Limited Liability Company	KWD	(204,919)	NA*	NA*
VLCC Healthcare Lanka (Private) Limited	LKR	(8,705,337)	(7,028,519)	(3,691,058)
VLCC Education Lanka (Private) Limited	LKR	(92,617)	(89,338)	(188,784)
VLCC Personal Care (Bangladesh) Private Limited	BDT	(6,196,020)	(5,133,887)	(360,304)
VLCC (Middle East) L.L.C.	AED	(4,467,163)	(3,325,780)	214,416
VLCC Singapore Pte. Ltd.	SGD	(147,917)	(58,624)	(57,904)
VLCC Wellness (M) Sdn. Bhd.	RM	(5,963)	(19,076) [#]	(6,900)
Global Vantage Innovative Group Pte Ltd	SGD	(14,290)	(8,255)	79,492
Bellewave Cosmetic Pte. Ltd.	SGD	(97,822)	(587,018) ^{##}	1,044,705
Enavose Life Science Research Pte Ltd	SGD	(84,318)	(29,592)	(294,401)
Excel Beauty Solution Sdn Bhd	RM	(4,137)	26,523	(3,400)
VLCC Holding (Thailand) Co., Ltd.	THB	(79,759)	NA*	NA*
VLCC Wellness (Thailand) Co., Ltd.	THB	(620,420)	NA*	NA*
Wyann International (M) Sdn Bhd	RM	(215,308)	44,776	(2,516,639) ^{**}
Skin Nutrition Asia Pacific Sdn Bhd	RM	(7,510)	(98,465)	13,727 ^{**}

* These companies commenced operations in Fiscal Year 2014 or Fiscal Year 2015.

** For Fiscal Year 2013 audited numbers are for the nine month period beginning July 2012 and ending March 2013.

[#] For Fiscal Year 2014 audited numbers are for the thirteen months period beginning February 2013 and ending March 2014.

^{##} This loss is from continuing operations.

In addition, we cannot assure you that our Group Company, which was incorporated in July 2015, will not incur losses in the future. For further details of our Group Company, see “Our Group Companies” on page 233.

42. We have in the past, and may enter into related party transactions in the future. We cannot assure you that we could not have achieved more favorable terms if such transactions had not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favorable than if the transaction had not been conducted with related parties.

We have in the past, and may enter into related party transactions in the future with several related parties, including our Promoters, Directors and our Subsidiaries. For instance, Ms. Vandana Luthra, our Promoter, provides know-how, goodwill and services to our Company and our Subsidiary, VLCC Personal Care Limited pursuant to technical know-how agreements entered into in 2004 and 2014, respectively. For further details, see the sections titled “Our Promoters and Promoter Group-Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years” and “Related Party Transactions” on page 230 and page 235, respectively. While we believe that our past related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favorable terms if such transactions had not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favorable than if the transaction had not been conducted with related parties. We cannot assure you that such transactions, individually or in aggregate, will not have material adverse effect on our business, financial condition and results of operations, resulting from potential conflicts of interest or otherwise.

43. Certain documents in relation to educational qualifications and experience are not available.

Certain supporting documentation for details required to be stated under brief profiles of directors of our Company in “Our Management” on page 211, including in respect of educational qualifications and work experience for certain Directors, could not be made available to our Company, despite due enquiries with such Directors. With respect to such information, we have relied on certain indirect sources, including annual reports of companies with which such directors have been associated in the past or other public sources (such as www.bloomberg.com).

44. *We have experienced negative cash flows in relation to our investing activities for Fiscal Years 2013 and 2014 as well as in relation to our financing activities for Fiscal Year 2015. Any negative cash flows in the future would have a material adverse effect on our business, financial condition and results of operations.*

We had a negative cash flow from investing activities of ₹ 821.19 million, ₹ 1,060.24 million and ₹ 685.89 million for Fiscal Years 2013, 2014 and 2015, respectively. Further, for Fiscal Year 2015, we had a negative cash flow from financing activities of ₹ 200.84 million. If we experience any negative cash flows in the future, this could have a material adverse effect on our business, financial condition and results of operations. For further details, see the sections titled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages F-1 to F-88 and 238, respectively.

EXTERNAL RISKS

45. *Unfavorable economic conditions could result in a reduction in consumer’s discretionary spending levels and a decline in the demand for our products.*

Our business depends on consumer demand for our products and services and, consequently, is sensitive to a number of factors that influence consumer’s discretionary spending. Negative local, regional, national or international political or economic trends or developments that reduce customers’ ability or willingness to spend may adversely affect our growth, sales and profitability. Economic uncertainty, or deterioration in economic conditions, along with increasing unemployment levels, inflation and tax increases, all of which are factors outside our control, could affect disposable income and consumer spending, and consumers’ perception of overall economic conditions and their own economic prospects could cause decreases in discretionary purchasing.

Additionally, demand for our products and services can also be impacted by the availability and cost of consumer credit, levels of consumer debt, interest rates and levels of taxes affecting customers, which may adversely affect our revenue and profits through reduced purchases of our products. Despite recent signs of recovery, the outlook for the economy in the geographic markets in which we sell our products remains uncertain. Due to an element of discretionary spending for our products and services and the fact that such purchases often represent a significant expenditure, customers are more likely to defer the purchase of products and services, or purchase less expensive products from our competitors, during periods of economic uncertainty or personal economic hardship. Accordingly, unfavorable economic conditions or an uncertain economic outlook in one or more of the principal markets in which we operate could have an adverse effect on consumer’s discretionary spending, which in turn could have a material adverse effect on our business, financial condition and results of operations.

46. *Changes in our tax status or loss of tax benefits which our Company currently enjoys may have a material adverse effect on our business, financial condition and results of operations.*

As on July 31, 2015, our Haridwar facility has 30% income tax exempt status up to Fiscal Year 2019 and a 100% Central Excise tax exempt status up to August 24, 2019. We cannot assure you that this exemption status or existing tax benefits will continue to be available in the future. Changes in, or elimination of, such tax position or benefits could have a material adverse effect on our business, financial condition and results of operations. Furthermore, value-added tax (“VAT”) and goods and services tax (“GST”) rates could increase in the future in India and in other countries which we operate. If we do not increase the prices of our products to match the increase in applicable taxes, our profitability margins will be negatively impacted. If we pass the increase in applicable taxes on to our consumers by raising the prices of our products, the demand for our products may decline, which could have a material adverse effect on our business, financial condition and results of operations.

47. *We are subject to significant international business risks, including risks related to exchange rates and foreign currencies that could hurt our business and cause our results of operations to fluctuate.*

For Fiscal Years 2013, 2014 and 2015, 33.68%, 40.68% and 39.85% of our revenue from operations, respectively, was from our international business. Our pursuit of international growth opportunities may require additional investments for an extended period before reasonable returns on these investments are realized. Our international operations are subject to currency fluctuations, including, without limitation, fluctuations in the foreign exchange rate of the Indian Rupee against the UAE Dirham, Singapore Dollar, Malaysian Ringgit and Qatari Riyal. Changes in currency exchange rates may also affect our sales to, purchases from and loans to our Subsidiaries as well as sales to and purchases from our consumers and suppliers that are denominated in foreign currencies. Our reporting currency in our financial information is the Indian Rupee, and our results of operations and financial condition are subject to translational foreign exchange risk as income, costs, assets and liabilities denominated in currencies other than our reporting currency are translated back into Indian Rupee. We expect that the amount of our revenue and expenses transacted in foreign currencies will increase as our international operations grow and, as a result, our exposure to risks associated with foreign currencies could increase accordingly. We have not, as of July 31, 2015, entered into any formal arrangements to hedge against foreign currency fluctuations. We may be unable to successfully hedge our exposure to currency fluctuations in the future. We may also be unsuccessful in implementing pricing or other actions in an effort to mitigate the impact of currency fluctuations, which could have a material adverse effect on our business, financial condition and results of operations.

48. *We are required to comply with various laws and regulations. Compliance and liability under applicable laws and regulations may be costly, subject to interpretation by regulatory authorities and changes in laws, which could make conducting our business more expensive or otherwise change the way we do business.*

We are subject to numerous national, local and various other laws and regulations, including environmental, product safety, foreign exchange, trade and customs, consumer protection, privacy, employment, including minimum wage laws, health and safety and other laws, which are unique to each respective country. Statutory and regulatory requirements that govern the operation, management and investments of our Company as well as our business, including our VLCC Wellness Centers and vocational education institutes, also differ across countries in which we operate. Our Company currently has had investment from non-residents and expects to continue to have investment from non-residents in future, which subjects us to compliance with exchange control regulations and imposes certain conditions on the kind of business activities we can undertake. If we were to violate these regulations, or if our past or future business actions are interpreted by the relevant regulatory authorities to be in violation of applicable laws, including with respect to exchange control regulations, we could be subject to penalties or fines prescribed under such regulations. In such a case, we could experience delays in the opening of our VLCC Wellness Centers, be subject to fines, penalties, or we could suffer reputational harm or even have our VLCC Wellness Centers or vocational education institute license revoked, which could reduce overall demand for our services and products, and harm our business and results of operations. From time to time we may face regulatory enforcement based on our alleged noncompliance with such laws and regulations. In addition, the modification, suspension, repeal or expiration of favorable provisions in the applicable laws and regulations or, conversely, any increases of mandatory minimum compliance provisions, may negatively impact our business and profitability.

Risks related to India

49. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may have a material adverse effect on our business, financial condition and results of operations.*

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

- The Companies Act, 2013, together with the rules thereunder (the “**Companies Act**”), contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries. Moreover, effective as from 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. We may incur increased costs and other burdens relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may have a material adverse effect on our business, financial condition and results of operations.
- We are subject to taxes and other levies imposed by the Central Government or State governments in India. Changes in tax laws could adversely affect our tax position, including our effective tax rate or the amount of our tax payments. We often rely on generally available interpretations of applicable tax laws and regulations. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our services to track and collect such taxes, which could increase our costs of operations or our effective tax rate and have a negative effect on our business, prospects, results of operations and financial condition.
- The Government has proposed a comprehensive national GST regime that will combine taxes and levies by the Central Government and State governments into a unified rate structure. While the Government and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain State governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing corporate or tax law, regulation or policy in the jurisdictions in which we operate, 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 impact the viability of our current business or restrict our ability to grow our business in the future. Additionally, our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our lines of business. Such unfavorable changes could increase costs and/or subject us to additional liabilities and could have a material adverse effect on our business, financial condition and results of operations.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of the Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax (“**STT**”) has been paid on the transaction. The applicable STT will be levied on and collected by a domestic

stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. In addition, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

51. *Rights of the shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights, including those in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions, including the United States. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company than as a shareholder of a corporation in another jurisdiction.

52. *There may be less information available about companies listed on Indian securities markets compared to information that would be available if we were listed on the securities markets in certain other countries.*

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the U.S. and certain other countries. SEBI regulates the Indian capital market (along with the Indian stock exchanges, which also govern the companies whose securities are listed with them) and has issued regulations and guidelines on disclosure requirements, insider trading, substantial acquisitions and takeovers of listed companies and other matters. However, there may be less publicly available information about our business and that of our competitors listed on an Indian stock exchange compared to information that would be available if such companies were listed on a securities market in certain other jurisdictions.

53. *Our businesses and activities may be regulated by the Competition Act, 2002, as amended, and any adverse application or interpretation of the Competition Act could have a material adverse effect on our business, financial condition and results of operations.*

The Competition Act, 2002, as amended (the "**Competition Act**") regulates practices that could have an appreciable adverse effect on competition in the relevant market in India and has established the Competition Commission of India (the "**CCI**"). Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and results in imposition of substantial monetary penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits the abuse of a dominant position by any enterprise either directly or indirectly, including by way of unfair or discriminatory pricing or conditions in the sale of goods or services, using a dominant position in one relevant market to enter into, or protect, another relevant market, and denial of market access.

On March 4, 2011, the Government also issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require that any acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and revenue

based thresholds must be notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the CCI (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

We cannot assure you that we will be able to obtain approval for any future transactions on satisfactory terms, or at all. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. If it is proven that a breach of the Competition Act, 2002, committed by a company took place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the CCI or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or alleged violation under the Competition Act, including by way of financial penalties, our business, financial performance and reputation may be materially and adversely affected.

54. *Foreign investors may have difficulty enforcing foreign judgments against us or our management.*

Our company is incorporated under the laws of India. Except for Mr. Sameer Sain, Mr. Alok Oberoi and Mr. Mukesh Luthra, all our directors, key management personnel and executive officers are residents of India and a substantial portion of our assets and those of such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained in courts outside India against our Company or such parties in courts outside India.

Further, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws.

55. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.*

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

56. *As our operations in India are a significant source of our revenue, a slowdown in economic growth in India could cause our business to suffer. We are also subject to regulatory, economic, social and political uncertainties in India.*

A substantial portion of our business and our employees are located in India, and we intend to continue to develop and expand our business in India. A significant portion of our revenues are derived directly from our operations in India. Consequently, our financial performance, growth and the market price of our Equity Shares are and will be dependent on economic conditions prevalent in India and affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, the stability of financial markets in India, social and civil unrest and other political, social and economic developments in or affecting India. Economic

conditions in India may be materially and adversely affected by factors such as political instability or regional conflicts, a general rise in interest rates, inflation, or an economic slowdown elsewhere in the world. The Indian economy also remains largely driven by the performance of the agriculture sector which depends on the extent of the monsoon which is difficult to predict. The Indian economy has grown significantly over the past few years although it has recently experienced an economic slowdown. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the Indian beauty and wellness industry and, as a result, on our financial condition and results of operations.

India also faces major challenges in sustaining its growth, which include the need for substantial infrastructure development. If India's economic growth cannot be sustained or otherwise slows down significantly, it could have a material adverse effect on our business, financial condition and results of operations.

The Government has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian Central Government and State governments in the Indian economy as producers, consumers and regulators has remained significant. The current Government, which came to power in May 2014, is headed by the Bharatiya Janata Party and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization may change, and specific laws and policies affecting banking and finance companies, foreign investment and other matters affecting investment in the Equity Shares may change as well. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business and economic conditions in India generally and our business and prospects.

57. *Natural disasters, epidemics, terrorist attacks and other acts of violence or war could adversely affect the financial markets, result in a loss of business confidence and have a material adverse effect on our business, financial condition and results of operations.*

Numerous countries, including India, where the majority of our operations are located, have experienced community disturbances, strikes, terrorist attacks, riots, epidemics and natural disasters. In particular, India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years. For example, in September 2014, the Jammu and Kashmir regions of India were affected by heavy floods caused by torrential rainfall causing widespread damage. Substantially all of our operations and employees are located in India and we cannot assure you that we will not be affected by natural disasters in India or elsewhere in the future. These acts and occurrences may result in a loss of business confidence and could cause a temporary suspension of our operations and could have an adverse effect on the financial markets and economies of India and other countries. Such closures could in the future have a material adverse effect on our business, financial condition and results of operations.

Any major hostilities involving India or any other countries in which we operate, or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on our business, financial condition and results of operations. Incidents such as the November 2008 Mumbai terrorist attacks, other incidents such as those in Indonesia, Madrid, London, New York and Washington, D.C. and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, India or other countries in which we operate, may enter into armed conflict or war with other countries or extend pre-existing hostilities. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could adversely affect customer confidence in India, which could have an adverse impact on the economies of India and other countries, on the markets for our services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

58. *Significant differences exist between the requirements of Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from the requirements of Indian GAAP. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

59. *Our failure to successfully adopt new accounting standards when required under Indian law could have a material adverse effect on the price of our Equity Shares.*

India has adopted the "IFRS based/synchronized Accounting Standards" (the "**IND (AS)**") which are meant to converge India's existing accounting standards to IFRS. The Ministry of Corporate Affairs of the Government issued the Companies (Indian Accounting Standards) Rules 2015 (the "**Rules**") on February 16, 2015 which became effective on April 1, 2015. Under the Rules, the IND (AS) is applied to the following companies (except banking companies, insurance companies and non-banking financial companies): (i) for accounting periods beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), all companies with net worth of ₹ 5,000 million or more; and (ii) for accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) listed or to be listed companies (i.e., whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India) with net worth less than ₹ 5,000 million and unlisted companies with net worth between ₹ 2,500 million and ₹ 5,000 million. These requirements would also apply to any holding, subsidiary, joint venture or associate companies of such companies affected by the Rules. In addition, the Companies Act, 2013 requires that for the Fiscal Year commencing on or after April 1, 2015, the audit report of a company is to state the adequacy of the internal financial controls system and its operating effectiveness.

We cannot assure you that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially affected under the new IND (AS) compared to those under the current Indian GAAP. As we transition to reporting under the new IND (AS), we may face difficulties in the implementation of initiatives to improve our management information systems. We cannot assure you that our adoption of IND (AS) will not adversely affect our reported results of operations or financial condition. Any failure to successfully adopt IND (AS) could have a material adverse effect on our share price.

60. *This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Frost & Sullivan.*

This Draft Red Herring Prospectus, in the sections titled "*Summary of Industry*", "*Summary of Business*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 51, 55, 117, 148 and 238, respectively, includes information that is derived from an industry report dated September 15, 2015 titled "*Market Assessment for Beauty and Wellness in India and GCC Market*", prepared by Frost & Sullivan, an independent consultant, pursuant to an engagement with the Company. We commissioned this report for the purpose of confirming our understanding of the beauty and wellness industry in India. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the commissioned report. In addition, the data may have been re-classified by us for the purposes of presentation. Industry reports and publications generally state that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, prospective investors are advised not to unduly rely on the information derived from industry reports when making their investment decisions. 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. Further, such assumptions may change based on various factors.

We cannot assure you that Frost & Sullivan's assumptions are correct or will not change and accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. We commissioned the F&S Report for the purposes of confirming our understanding of the industry. Prospective investors are advised not to unduly rely on the F&S Reports when making their investment decision. The F&S Report contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to Frost & Sullivan should not be considered Frost Sullivan's opinion as to the value of any security or the advisability of investing in us.

Risks related to our Offer and investment in our Equity Shares

61. *We intend to use a portion of the Net Proceeds for investment in equity shares of our Subsidiaries, and we cannot assure you that we will receive dividends on such equity shares purchased by us in a timely manner, or at all.*

We intend to invest a portion of the Net Proceeds of the Offer in our Subsidiaries. For further details, see the section titled "*Objects of the Offer*" on page 94. Our Subsidiary does not have a stated dividend policy, and consequently, we cannot assure you that our Company will be paid dividends on the investment of such equity shares in the near future, or at all. Additionally, we cannot assure you that our Subsidiary will generate sufficient earnings and cash flows to pay dividends. Non-receipt of dividends from our Subsidiary could have a material adverse effect on our business, financial condition and results of operations.

62. *Our Company will not receive any proceeds of the Offer for Sale.*

Indivision India Partners and Leon International Limited have agreed to offer up to 2,552,929 Equity Shares and up to 1,213,899 Equity Shares, respectively, held by them in the Offer for Sale. The proceeds from the Offer for Sale will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds.

63. *Variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.*

We intend to use the Net Proceeds of the Offer as set forth in the section titled "*Objects of the Offer*" on page 94. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. 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 the Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any circumstances that require us to undertake variation in the disclosed utilization 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 could have a material adverse effect on our business, financial condition and results of 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 change the objects of the Offer, at a price and manner as may be prescribed by SEBI. SEBI has not yet prescribed any regulations in this regard and such regulations may contain onerous obligations. We cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in our interest.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in our interest. This may restrict our ability to respond to

any change in our business or financial condition by re-deploying any unutilized portion of Net Proceeds, which may have a material adverse effect on our business, financial condition and results of operations.

64. *Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and may be revised from time to time.*

The deployment of the Net Proceeds, as included in this Draft Red Herring Prospectus is based on management estimates, quotations from suppliers and our current business plan and has not been appraised by any bank, financial institution or other independent institution. Our management will have discretion in the application of the Net Proceeds and investors will not have the opportunity, as part of their investment decision, to assess whether we are using the proceeds in a manner that they believe enhances our market value. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently, our programs for deployment of Net Proceeds may be rescheduled.

Our schedule of implementation is exposed to various risks including time and cost overrun due to various reasons including those which may be beyond our control. In case any such event occurs that results in delaying our schedule of implementation, we may have to incur additional cost and we may not execute our business plan in line with current estimates. Such time and cost overrun could have a material adverse effect on our business, financial condition and results of operations.

We may also have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations, exchange rates or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements which would be subject to compliance with applicable laws. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and may change due to such factors. In addition, current quotations from suppliers are only valid for limited periods and we cannot assure you that we will be able to obtain new quotations from these or other suppliers on the same terms.

65. *Any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.*

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

66. *The Equity Shares may not be a suitable investment for all investors.*

- Each prospective investor in the Equity Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:
- have sufficient knowledge and experience to make a meaningful evaluation of us and our businesses, the merits and risks of investing in the Equity Shares and the information contained in this Draft Red Herring Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Equity Shares and the impact the Equity Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Equity Shares, including where the currency for purchasing and receiving dividends on the Equity Shares is different from the potential investor's currency;

- understand and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

67. *There has been no prior market for the Equity Shares, so there may be no liquidity in the market for the Equity Shares and the price of the Equity Shares may fall after this Offer. Our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.*

As there has been no prior trading in the Equity Shares, we cannot assure you that an active market for the Equity Shares will develop following the Offer or, if developed, that such market will be sustained. Furthermore, the Offer Price determined through the book building process may not be indicative of the price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter.

The price of the Equity Shares may fluctuate after this Offer as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian beauty and wellness sector and changing perceptions in the market about investments in the Indian beauty and wellness sector, adverse media reports on us or the beauty and wellness sector in general, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. There has been no recent public market for the Equity Shares prior to this Offer and an active trading market for the Equity Shares may not develop or be sustained after this Offer. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Offer.

68. *We may decide not to proceed with the Offer at any time before Allotment. If we decide not to proceed with the Offer after the Bid Opening Date but before Allotment, the refund of application amounts deposited will be subject to our complying with our obligations under applicable laws.*

We reserve the right to not proceed with the Offer at any time before the Allotment. If we withdraw the Offer after the Bid Opening Date, we will be required to refund all application amounts deposited within the prescribed time. We shall be required to pay interest, as specified under SEBI Regulations or the Companies Act, 2013, on the application amounts received if refunds are not made within the stipulated time from the Bid Closing Date. In addition, our ability to complete the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company must apply for after Allotment and (ii) the final approval from the Registrar of Companies of India.

69. *Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, including in a primary offering, may lead to the dilution of your shareholdings. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

70. *There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current SEBI Regulations, our Equity Shares are required to be listed on

the Stock Exchanges within 12 Working Days from the Bid and Offer Closing Date, subject to any change in the prescribed timeline in this regard.

However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

71. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect your ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Subsequent to listing, we will be subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us from time to time of the percentage limit of the circuit breaker in effect. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

Prominent Notes

- Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million by our Company and an Offer for Sale of up to 3,766,828 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, comprising of an offer for sale of up to 2,552,929 Equity Shares aggregating up to ₹ [●] million by Indivision India Partners and an offer for sale of up to 1,213,899 Equity Shares aggregating up to ₹ [●] million by Leon International Limited. This Offer would constitute [●]% of the fully diluted post-Offer paid-up capital of our Company. Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, offer a discount of up to [●]% (equivalent to ₹ [●]) on the Offer Price to Retail Individual Bidders. Our Company is considering a private placement of up to 1,800,000 Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the Offer size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post Offer paid-up Equity Share capital of our Company.
- As of March 31, 2015, the net worth of our Company was ₹ 1,240.04 million and ₹ 2,523.31 million as per our restated standalone financial information and consolidated restated financial information, respectively.
- As of March 31, 2015, the net asset value per Equity Share was ₹ 32.97 and ₹ 67.82 as per our restated standalone financial information and consolidated restated financial information, respectively.
- The average cost of acquisition per Equity Share by our Promoters are as follows:

Name of the Promoter	Number of Equity Shares held	Percentage of holding (%)	Average cost of acquisition (₹ per Equity Share)
Ms. Vandana Luthra	16,707,468	44.35	0.60
Mr. Mukesh Luthra	9,178,094	24.37	0.60

For further details in relation to the shareholding of our Promoters, see the section titled "*Capital Structure*" on page 78.

- There are no financing arrangements pursuant to which our Promoters, Promoter Group, Directors and/ or their immediate relatives have financed the purchase of Equity Shares by any other person during the six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
- There has been no change in the name of our Company in the last three years.
- For information on the change in the registered office of our Company, see section titled “*History and Certain Corporate Matters – Changes in the Registered Office of our Company*” on page 180.
- Our Group Company, VLCC Caregen Private Limited, which was incorporated post March 31, 2015, did not have business interests or other interests in our Company in Fiscal Years 2015, 2014, 2013 and 2012.
- For details of transactions entered into by our Company with our Subsidiaries in Fiscal Year 2015, including nature and cumulative value of such transactions, see Annexure XX of our restated standalone financial information and Annexure XX of our consolidated restated financial information on pages F-79 and F-41, respectively. As VLCC Caregen Private Limited, our Group Company, was incorporated post March 31, 2015, no transactions had been entered into between VLCC Caregen Private Limited and our Company in Fiscal Year 2015.
- Investors may contact any of the Book Running Lead Managers, who have submitted the due diligence certificate to SEBI for any complaint pertaining to this Offer.
- All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSBs or the Member of the Syndicate at Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted; all other grievances relating to this Offer may be addressed to the Registrar to the Offer and all grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer, in each case giving full details as described in the section titled “*Other Regulatory and Statutory Disclosures – Mechanism for Redressal of Investor Grievances*” on page 311.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

OVERVIEW OF THE INDIAN ECONOMY

India has consistently high forecasted growth and has the highest forecasted growth among BRIC countries

The International Monetary Fund (the “IMF”) forecasts that India will grow faster among Brazil, Russia, India and China (“**BRIC countries**”) through 2020. Strong domestic consumption, a robust services sector, strong participation by the private sector, a pro-reform Government, development in infrastructure and a young population are key growth drivers of India.

India is poised to become a top five economy by 2020

As per the IMF predictions, the Indian economy is poised to become one of the top five economies by 2020, following its robust GDP growth as compared to the other economies. The IMF estimates that Indian GDP will be ₹ 144 trillion in 2015 and will increase to more than ₹ 227 trillion by 2020, which will approximately equal the United Kingdom’s GDP. Inflation levels are expected to stabilize at between 6% and 8%. The following table sets forth the GDP of certain countries for the years indicated.

INDIA’S DEMOGRAPHIC OVERVIEW

Growing Youth Population

The Indian population is considerably young, with nearly 64% below 34 years of age in 2015, according to World Bank’s estimates. Current forecast suggests a steady increase in India’s youth population to 464 million by 2021 and finally a decline to 458 million by 2026. (*Source: State of the Urban Youth, India 2012: Employment, Livelihoods, Skills*)

The young population, with higher disposable incomes, is expanding the beauty and wellness market as it becomes more brand conscious. The table below illustrates India’s population by age for the years indicated.

High proportion of working population – reduced dependency ratio

The working age population of India is expected to reach 1,145 million by 2050, growing at a CAGR of 10% year on year. We believe that this increase in the working age population and the resulting reduction in the dependency ratio will accelerate growth of the Indian economy with increasing incomes, improved living standards and rising demand for goods and services.

Urbanization – dual impact of higher awareness for branded products and prevalence of lifestyle diseases

The United States Central Intelligence Agency (the “CIA”) estimates that the rate of urbanization in India will undergo an annual rate of change of 2.38% between 2010 and 2015. Urbanization has a dual impact of increasing consumer awareness for branded products and services as well as increasing the prevalence of stress-related disorders and lifestyle diseases, which result in increased demand for beauty and wellness services such as those provided in salons, spas, fitness centers, slimming centers and alternate therapy centers.

Rising Female Participation in the workforce

The number of women in India’s workforce has increased over the last few decades, driven by a wide variety of economic and social factors including economic growth, wider access to education, higher education levels among women and evolving social norms, which together has improved women’s access to quality employment. With the growing female participation in the workforce, the number of households with double income is also on the rise, promoting financial stability and increased awareness for better lifestyles. With reduced dependency, increased affordability, awareness, and access, the need for personal grooming is becoming extremely important for working

women. The preference for beauty salons treatments and personal care products and wellness services is gradually on the rise.

Smaller families

Three in five households in India are now nuclear, with 63% of households being nuclear in urban areas and 59% in rural areas. (Source: *National Family Health Survey, Hindustan times, June 16, 2013*) Smaller family sizes, coupled with the growth of double income households have increased demand for a convenient lifestyle and ready-to-use products. In addition, the use of homemade remedies for beauty care has shifted to demand for readily available beauty products and beauty care services.

MARKET GROWTH DRIVERS

Emerging middle class

India has seen a remarkable transition in its middle class population with more than 33% likely to reach the aspirer class by 2020 compared to the 20% in 2010 and 9% in 2000. The share of households earning less than ₹ 206,250 (US \$3,300) income is expected to decrease from 51% in 2010 to 28% in 2020. The demand pattern of the rising middle class population clubbed with rising income levels and aspirations for a better lifestyle has opened up a window of opportunities for consumer products and services participants.

Higher incomes-fueling increased discretionary consumption

The Indian market is highly consumer-driven and is witnessing an increase in discretionary spending by households. Consumer spending on the non-food items has been on the rise in the past decade, reflecting the changes in the spending patterns. The table below illustrates trends in consumer expenditure for the years indicated. As an example, household spending on personal care products was approximately 7% to 8% in 2005 and is expected to grow to 11-12% by 2025.

Increased prevalence of social media, internet and smart phone usage has increased awareness for products and services

Social media has evolved as a critical channel for market participants to increase brand awareness and reach consumers, with India evolving as one of the largest markets for social networking companies such as Facebook and LinkedIn. Social networks are being used as platforms for companies to connect directly with consumers such as providing a forum for online discussion for beauty and personal care issues, sharing experiences, educating consumers on various beauty and wellness related issues, as well as growing consumer awareness for products and services.

Increasing incidence of lifestyle diseases

Rising income levels, double-income households, the growing female participation in workforce and changing lifestyles are some of the factors that have lured people to fast food culture and shifted Indian consumers toward packaged convenience food instead of traditional cooking options. Unhealthy food habits with sedentary lifestyles have acted as a precursor for diseases like diabetes, hypertension, and obesity. This has led to increased demand for fitness related services and products.

Changing demographics and income have an impact on and are resulting in behavior and changes in attitude

In pursuit of healthy lifestyles

Growing incomes, a faster pace of life, increased sedentary living, high work stress and consumption of unhealthy food is leading to a rise in lifestyle disorders. Consumers are looking to wellness options in pursuit of a healthy lifestyle.

Growing health consciousness and demand for preventative solutions

Improved health awareness and exposure to global beauty and fashion trends through increased media exposure drive growth in the wellness space. People have become more health conscious and adopted some or another form of physical activity with the aim of maintaining and promoting one's fitness. Therefore, market participants in the beauty and wellness industry have responded to this change, shifting their focus from a remedial to a preventive approach with new products and services.

Seeking time-saving solutions

Due to the competitive nature of today's day and age, consumers are willing to opt for quick fixes that are convenient – even if they need to be done more frequently.

THE INDIAN BEAUTY AND WELLNESS INDUSTRY

Market size and structure

The beauty and wellness industry in India for product and services jointly stands at estimated ₹ 1,200-1,300 billion (US\$ 19-21 billion) in Fiscal Year 2015. (*Source: F&S Report*)

The beauty and wellness industry in India has been on a growth trajectory, growing at a CAGR of 18-20% in the past three to five years and according to KPMG is estimated to grow at a CAGR of 18.6% over the next few years. (*Source: KPMG NSDC Report*)

Divide between services and products

The products business accounts for approximately 55% of total market share and dominates the beauty and wellness industry in India.

Beauty and wellness service industry

Organized versus unorganized sector

The beauty and wellness service industry has historically been dominated by unorganized market players, constituting 75-80% of the total market.

In prior years, the industry was primarily unorganized due to low entry barriers, with players operating at small scale and single outlets. However, with the entry of the organized corporate players in the beauty and wellness industry operating at a larger scale with chains of outlets, the organized sector is expected to comprise a larger segment in the beauty and wellness industry with a CAGR of 25-30%.

Growth in the beauty and wellness industry

The beauty and wellness industry is on a growth trajectory and expected to grow by approximately 18% over the next few years. (*Source: KPMG NSDC Report*)

Beauty and wellness products industry

The beauty and wellness products industry in India is estimated to be approximately ₹ 700 billion (US\$ 11 billion) in Fiscal Year 2015 with skin care accounting for approximately ₹ 81 billion (US\$ 1.3 billion).

THE BEAUTY AND WELLNESS INDUSTRY IN GCC REGION

The beauty and wellness industry in the GCC Region is estimated at ₹ 441 billion (US \$7.05 billion) in 2015, with products comprising 85% of the total industry. The overall industry has grown at a CAGR of 10-15% in the last three to four years. The initiatives taken by the governments of the GCC countries to promote the industry and the influence media have, together with higher income levels, have played a significant role in the growth of the beauty and wellness industry.

Organized versus unorganized participants

While the beauty and wellness products segment is largely organized, the services market is still dominated by several small, unorganized participants.

Within the wellness services industry, several small and stand-alone outlets provide market, regular beauty and spa services. There are more than 1,000 spas in GCC countries. However, only a few of them are present in more than one country. A majority of the spas are on stand-alone basis and unorganized participants.

However advanced treatments such as cosmetology related services, dermatological treatments and lasers are more organized and there are approximately 15-20 key organized participants across the GCC Region, with many of these present only in one to three countries of the GCC Region.

For further details, see the section titled “*Industry Overview*” on page 117.

SUMMARY OF BUSINESS

Certain data included in this section in relation to certain operating metrics, financial and other business related information (such as number of wellness centers and vocational education institutions, same store sales growth, number of products, number of consumers served in the last 10 years, among others) not otherwise included in the Restated Financial Information have been reviewed and verified by S.N. Dhawan & Co., Chartered Accountants.

VISION AND MISSION

Our mission since inception has been to transform lives by making beauty and wellness accessible to women and men everywhere, which we believe empowers our consumers to look good, feel good and get the most out of life.

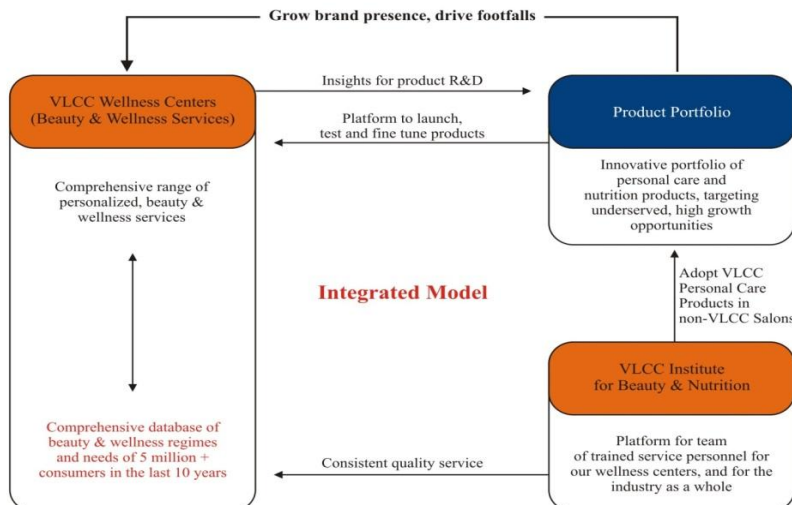
OVERVIEW

Founded by Mrs. Vandana Luthra as a beauty and slimming services center in 1989, our Company was incorporated in 1996. We believe that our Company was among the first multi-center corporate operations in the beauty and wellness industry, which was at the time mostly composed of individually-operated, small scale businesses. Over 25 years of operation, the VLCC® brand has grown to receive “Superbrand” status in 2003, 2011 and 2014, and recognition as “India’s most trusted wellness brand” in the Trust Research Advisory Survey, 2015.

As of July 31, 2015, we have among the largest scale and breadth of operations within the beauty and wellness services industry in India, serving consumers across 301 locations in 134 cities and across 11 countries in South Asia, South East Asia, the GCC Region and East Africa. We have a comprehensive portfolio of beauty and wellness services, personal care and nutritional products. We are leaders in the Indian beauty and wellness industry by market share in the total organized industry (*Source: F&S Report*) and we had consolidated revenues of ₹ 8,163.44 million in Fiscal Year 2015, which have grown consistently at CAGR 21.04% between Fiscal Year 2011 and Fiscal Year 2015.

The Indian beauty and wellness industry opportunity is substantial, growing at a CAGR of 18.6% in the next few years and is expected to reach ₹ 803.7 billion by the end of 2017. More than 70% of the beauty and wellness industry is in the unorganized sector, dominated by small market players with limited training and modern technical knowledge. (*Source: “Human Resource and Skill Requirements in Beauty and Wellness Sector (2013-17, 2017-22)”, prepared by KPMG Advisory Services Private Limited (“KPMG”) for the National Skill Development Corporation (“NSDC”)*) (the “**KPMG NSDC Report**”)

We believe that VLCC’s brand recognition with consumers, the scale and breadth of our operations across India and international markets and our bespoke integrated business model are our core competitive advantage which makes our business well positioned for sustained, competitive and profitable growth.



Originally started as a beauty and slimming services business, we have over 25 years of operations and have built a strategic integrated business model with three core business segments: VLCC branded wellness centers (“**VLCC Wellness Centers**”), vocational education services served by our institutes offering courses in beauty services and nutrition (“**VLCC Institutes**”) and manufacturing, distribution and marketing of VLCC branded personal care products, functional foods and fortified food products (“**Personal Care Products**”).

We estimate that in the last ten years, we have served the beauty and wellness needs of over five million consumers, including both women and men. Our integrated business model is empowered by consumer data we have collected from consumers across different demographics, ethnicities and nationalities. We believe that our analysis and interpretation of this exclusive consumer database provides us with a nuanced understanding and insight into the constantly evolving beauty and wellness industry. In addition, we believe our operations in the relatively more developed and competitive markets in South East Asia and the GCC Region provide us with perspective on emerging trends and new technologies in the beauty and wellness industry. We strive to use both our consumer data and our international insight to develop and integrate each of our three business segments to create sustainable growth. A brief overview of our three business segments and how they support growth for each other is set forth below.

Beauty and Wellness Services: VLCC Wellness Centers

Our ambition is to make wellness-driven beauty services accessible to consumers everywhere. As of July 31, 2015, we had 236 VLCC Wellness Centers in 122 cities, across 11 countries, of which 213 wellness centers are under the VLCC brand and the 23 wellness centers in Malaysia are under the *Bizzy Body*™ and *Facial First*™ brands. In India, we have the most extensive and widest reach with outlets across majority of states in India. (Source: *F&S Report*) Of our 187 VLCC Wellness Centers in India, 60 are franchisee owned. Our franchised centers are mostly situated in Tier II and Tier III cities, which extend our reach farther and deeper into India. Apart from India, we also operate 49 VLCC Wellness Centers in UAE, Oman, Bahrain, Qatar, Kuwait, Kenya, Sri Lanka, Bangladesh, Nepal and Malaysia. All of these Wellness Centers, with the exception of one Wellness Center in Nepal, are company-owned and operated.

We have consistently endeavored to lead the market by building a comprehensive beauty and wellness services portfolio and by serving a broad spectrum of consumer needs and price points through leveraging our experience, insights from our exclusive consumer database and our international presence. Our offerings include: slimming solutions and entry level routine beauty services; advanced treatments and therapies for hair, skin and body; and high value, expert services such as minimally invasive derma-cosmetic procedures, skin treatments and laser hair removal. We have a diversified services and products portfolio, enabling us to serve consumers with varying sophistication of beauty and wellness needs and varying income levels.

We believe that our broad reach, taken together with our extensive services offerings strategically position us to compete across a wide range of products and services categories against competitors who focus on niches and sub-segments in the beauty and wellness market.

Vocational Education: VLCC Institutes

The lack of training and the resulting lack of a highly skilled workforce is one of the key weaknesses of the beauty and wellness industry. (Source: *KPMG NSDC Report*) Therefore, we opened our VLCC Institutes to teach entry-level and skill enhancement courses in beauty and nutrition. We operate 65 VLCC Institutes, located in 49 cities across India and one in Nepal, of which 23 were franchisee owned (including one in Nepal) as of July 31, 2015. This enables us to create a skilled workforce, which we utilize to provide the quality of service necessary to achieve high customer satisfaction at our wellness centers. We believe this is reflected in the number of repeat customers for our slimming and beauty packages in India, which were 39.99% in Fiscal Year 2015 as compared with 30.75% in Fiscal Year 2013.

While some VLCC Institute graduates join our VLCC Wellness Centers, many other of our graduates go on to work in other salons in the unorganized sector or become entrepreneurs after we have trained them with our VLCC products and procedures, which we believe creates a ready market for our Personal Care Products. We believe this also enables consumers to experience the VLCC brand beyond wellness centers, creating further awareness for our brand.

In addition, we believe our VLCC Institutes extend our mission of transforming lives by helping create employment and entrepreneurial opportunities for women to enable their financial independence. In Fiscal Year 2015, we trained 10,574 students at our VLCC Institutes.

Product Portfolio

We have leveraged our exclusive consumer database, and our insight into evolving beauty and wellness needs to build and grow a diversified product portfolio in-house, through our Subsidiary VLCC Personal Care Limited. Our strategy focuses on building a carefully planned portfolio of innovative and differentiated personal care, nutritional and functional food products, targeting fast growing, underserved market opportunities where competition is limited or fragmented.

We currently market 169 skin care, hair care, body care, functional foods and fortified foods products. We manufacture 158 of these products at our own GMP-certified manufacturing plant in India. Our growing distribution network reaches over 72,000 outlets in India, apart from retail outlets in the overseas markets, primarily in the GCC Region, in addition to third party channels and emerging new channels such as e-commerce and teleshopping, which we are actively pursuing. We also manufacture substantially all the products that we use in-house as consumables in treatments and therapies, or that we retail exclusively through our VLCC Wellness Centres.

Revenue from our Personal Care Products business, which is complementary to our beauty and wellness services business, has grown by 2.63 times in the four years from Fiscal Year 2011 to Fiscal Year 2015, contributing ₹ 2,523.67 million or 31.11% to our consolidated revenue from operations in Fiscal Year 2015.

We believe our strategy, our bespoke integrated business model, and our ability to execute our strategy have translated into a track record of sustained revenue growth, and the capacity to invest for future growth. The table below sets forth our segmental revenue for the years indicated.

COMPETITIVE STRENGTHS

We believe our well known and trusted brand, the scale and breadth of our operations, our bespoke integrated business model, our product strategy and capabilities, our attractive financial structure and our management capability combine to give us a competitive advantage in targeting significant opportunities for growth in the beauty and wellness industry in India and other markets in South Asia, South East Asia, the GCC Region and Africa. Our key competitive strengths include:

- VLCC's stature as a leading brand in the Indian beauty and wellness industry
- Capability to leverage scale, scope and breadth of our operations
- Bespoke integrated business model
- Capability to identify and innovate a differentiated product portfolio
- Attractive financial structure
- Experienced Promoters and strong management capability

STRATEGIES

Our goal is sustainable, competitive, profitable and responsible growth for the overall business, through a comprehensive strategy leveraging our category leading brand, our scale and our bespoke, integrated business model. The key elements of our business strategy are as follows:

- Accelerate growth of the products business
- Capitalize on our experience in the GCC Region and explore new opportunities in untapped markets
- Grow the VLCC wellness services business by attracting customers from the unorganized beauty and wellness services industry
- Drive loyalty and higher share of spending from high potential customer segments by leveraging technology, while growing service margins and profitability
- Grow revenue from services and Personal Care Products for professional channels, capitalizing on growth opportunities in the beauty and wellness industry

For further details, see the section titled “*Our Business*” on page 148.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from and should be read in conjunction with our restated standalone audited financial statements and consolidated restated audited financial statements and the notes thereto as of and for the years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015. The financial information has been prepared in accordance with Indian GAAP, applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, restated in accordance with SEBI Regulations and is presented in the section titled “*Financial Information*” on pages F-1 to F-88. The summary financial information presented below should be read in conjunction with our restated financial information, the notes thereto and the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 238.

CONSOLIDATED RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

	(₹ in million)				
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES					
1 Shareholders’ funds					
(a) Share capital	376.12	376.12	22.01	22.01	22.01
(b) Reserves and surplus	2,147.19	1,935.81	1,914.36	1,507.97	1,166.96
Sub total	2,523.31	2,311.93	1,936.37	1,529.98	1,188.97
2 Minority Interest	29.47	45.71	1.02	-	-
3 Non-current liabilities					
(a) Long-term borrowings	930.09	995.30	760.63	755.06	808.54
(b) Other long-term liabilities	18.85	12.44	11.43	8.60	13.67
(c) Long-term provisions	56.30	44.53	28.83	21.83	14.84
Sub total	1,005.24	1,052.27	800.89	785.49	837.05
4 Current liabilities					
(a) Short-term borrowings	132.10	147.51	240.12	117.02	129.49
(b) Trade payables	927.71	843.00	604.90	488.58	442.63
(c) Other current liabilities	1,099.06	977.13	898.04	662.47	570.81
(d) Short-term provisions	23.95	22.97	19.92	31.45	34.35
Sub total	2,182.82	1,990.61	1,762.98	1,299.52	1,177.28
TOTAL	5,740.84	5,400.52	4,501.26	3,614.99	3,203.30
ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	3,227.95	3,092.30	2,556.80	2,241.94	2,152.63
(ii) Intangible assets	25.71	27.94	30.49	37.69	7.31
(iii) Capital work in progress	79.44	255.38	222.18	169.88	44.86
(iv) Intangible assets under development	0.68	3.04	2.59	2.59	30.75
(b) Goodwill on consolidation	277.61	169.10	100.30	-	-
(c) Non-current investments	0.04	0.04	0.04	0.04	0.04
(d) Deferred tax assets (net)	117.61	60.71	47.96	29.63	14.16
(e) Long-term loans and advances	423.42	433.89	366.31	284.02	253.18
(f) Other non-current assets	12.50	7.61	7.20	6.52	17.31
Sub total	4,164.96	4,050.01	3,333.87	2,772.31	2,520.24
2 Current assets					
(a) Inventories	502.10	425.10	359.23	278.95	246.37
(b) Trade receivables	577.08	433.98	344.96	213.52	102.05
(c) Cash and cash equivalents	329.25	351.31	285.58	248.44	223.64
(d) Short-term loans and advances	155.42	135.16	175.82	94.62	106.61
(e) Other current assets	12.03	4.96	1.80	7.15	4.39
Sub total	1,575.88	1,350.51	1,167.39	842.68	683.06
TOTAL	5,740.84	5,400.52	4,501.26	3,614.99	3,203.30

CONSOLIDATED RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

	(₹ in million)				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
1 Revenue					
(a) Revenue from operations (gross)	8,110.35	7,089.65	5,994.28	4,761.29	3,773.76
(b) Other income	53.09	39.37	46.18	25.71	29.97
Total revenue (1a+1b)	8,163.44	7,129.02	6,040.46	4,787.00	3,803.73
2 Expenses					
(a) Cost of materials consumed	1,291.80	1,087.65	1,022.72	616.44	311.50
(b) Purchases of stock-in-trade	77.85	67.48	50.44	47.70	34.51
(c) Changes in inventories of stock-in-trade, finished goods	(59.59)	(40.69)	(74.58)	(28.01)	(6.61)
(d) Employee benefits expense	1,995.49	1,755.70	1,369.80	1,094.53	1,060.95
(e) Finance costs	196.94	199.38	181.00	181.98	100.24
(f) Depreciation and amortisation expense	630.50	568.65	437.96	355.34	270.32
(g) Other expenses	3,740.99	3,161.53	2,665.36	2,217.57	1,824.21
Total expenses	7,873.98	6,799.70	5,652.70	4,485.55	3,595.12
3 Profit before tax and exceptional items (1-2)	289.46	329.32	387.76	301.45	208.61
4 Exceptional Items	-	-	8.94	6.89	-
5 Profit after exceptional item and before tax (3-4)	289.46	329.32	378.82	294.56	208.61
6 Tax expense:					
(a) Current tax expense for the year	110.97	105.72	88.65	91.96	75.20
(b) Income tax expense for previous years	0.09	0.16	-	-	(0.51)
(c) Minimum Alternative Tax credit	12.00	(54.89)	(47.15)	(36.26)	(27.20)
(d) Net current tax expense	123.06	50.99	41.50	55.70	47.49
(e) Deferred tax (credit)	(35.85)	(12.51)	(18.32)	(15.47)	(12.76)
(f) Deferred tax charge / (credit) - Share of jointly controlled entity	0.27	(0.23)	-	-	-
	87.48	38.25	23.18	40.23	34.73
7 Profit after tax before share of profit / (Loss) of minority interest (5-6)	201.98	291.07	355.64	254.33	173.88
Minority Interest	(3.32)	2.35	0.16	-	-
8 Profit after tax as restated	205.30	288.72	355.48	254.33	173.88
9 Earnings per share (of ₹ 10 each):					
Basic / Diluted (₹ per share)	5.52	7.76	9.56	6.86	4.70

CONSOLIDATED RESTATED SUMMARY STATEMENT OF CASH FLOWS

	(₹ in million)				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
A. Cash flow from operating activities					
Net profit before tax and minority interest as restated	289.46	329.32	378.82	294.56	208.61
<i>Adjustments for:</i>					
Depreciation and amortisation	630.50	568.65	437.96	355.34	270.32
(Profit)/Loss on fixed assets sold / scrapped	4.21	2.59	(26.79)	5.32	3.91
Fixed assets written off	5.44	4.58	0.26	-	15.26
Inventory written off	-	0.41	-	-	-
Capital Work in progress written off	-	-	-	-	1.22
Net gain on sale on investments	-	-	(0.27)	(0.45)	(0.05)
Fixed assets damaged due to fire	7.72	1.99	-	-	-
Dividend income on mutual funds	-	-	-	-	(0.07)
Finance costs	125.20	129.81	127.73	141.12	72.12
Interest income	(1.07)	(1.00)	(0.88)	(0.74)	(1.72)
Provision for doubtful trade receivables	19.57	13.21	10.48	3.53	2.19
Provision for doubtful trade receivables written back	(12.31)	(6.19)	(2.85)	(0.86)	(2.76)
Provision for doubtful advances	1.64	0.23	0.22	0.85	0.28
Provision for doubtful advances written back	(0.16)	(0.65)	(0.34)	(0.28)	(0.56)
Provision for doubtful deposits written back	0.61	(0.25)	-	-	-
Provision for impairment of tangible fixed assets	1.16	8.29	1.73	8.90	2.92
Provision for impairment of tangible fixed assets written back	(0.22)	-	-	-	-
Provision for gratuity written back	-	(2.17)	(8.61)	(3.91)	(3.80)
Net unrealised exchange (gain) / loss	(0.28)	(0.35)	(0.10)	0.90	0.41
Operating profit before working capital changes	1,071.47	1,048.47	917.36	804.28	568.28
Changes in working capital					
<i>Adjusted for (increase) / decrease in operating assets</i>					
Inventories	(68.92)	(66.26)	(80.29)	(32.57)	(110.25)
Trade receivable	(139.30)	(96.06)	(139.11)	(114.14)	(49.34)
Short term loans and advances	(17.25)	37.86	(81.04)	11.96	6.24
Long term loans and advances	(4.38)	(8.79)	(37.71)	(7.22)	(11.87)
Other current and non-current assets	(13.60)	(3.16)	5.32	(3.04)	(19.51)
<i>Adjusted for increase / (decrease) in operating liabilities</i>					
Trade payables	67.56	235.02	123.32	45.91	149.77
Other current liabilities	69.53	(2.83)	201.76	63.31	(59.09)
Short-term provisions	6.99	0.02	0.12	-	0.36
Other long-term liabilities	6.40	1.01	18.01	6.51	4.68
Long-term provisions	2.62	16.14	9.92	3.15	5.75
Cash generated from operations	981.12	1,161.42	937.66	778.15	485.02
Net income tax paid	(114.49)	(101.16)	(100.98)	(89.83)	(68.45)
Net cash flow from operating activities (A)	866.63	1,060.26	836.68	688.32	416.57
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(542.58)	(861.33)	(713.23)	(479.77)	(684.45)
Proceeds from sale of fixed assets	25.98	0.43	56.01	2.54	4.02
Purchase / acquisition of long-term investments	(150.38)	(199.92)	(164.45)	-	-
Purchase of shares from minority shareholders	(15.10)	-	-	-	-
Purchase of current investments	-	-	(20.00)	(280.00)	(25.05)
Proceeds from sale of current investments	-	-	20.27	280.45	30.13
Dividend Income from Mutual Funds	-	-	-	-	0.07
Interest received	0.72	0.98	0.89	0.97	1.70
Bank balance not considered as cash and cash equivalent	(4.53)	(0.40)	(0.68)	18.46	-
Net cash used in investing activities (B)	(685.89)	(1,060.24)	(821.19)	(457.35)	(673.58)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
C. Cash flow from financing activities					
Proceeds from issue of equity shares	-	-	-	-	0.66
Redemption of preference shares	-	-	-	-	(354.11)
Movement in Loans	(73.94)	228.32	155.27	(38.87)	750.05
Interest paid on Borrowings	(126.66)	(130.97)	(127.62)	(140.78)	(66.19)
Dividend Paid (including dividend tax)	(0.24)	-	-	(5.02)	(36.07)
Net cash flow (used in) / from financing activities (C)	(200.84)	97.35	27.65	(184.67)	294.34
Net (decrease) /increase in Cash and cash equivalents (A+B+C)	(20.10)	97.37	43.14	46.30	37.33
Cash and cash equivalents at the beginning of the year	351.30	285.58	248.44	223.64	192.93
Effect of exchange differences on restatement of foreign currency	(1.95)	(31.64)	(6.00)	(21.50)	(6.62)
Cash and cash equivalents at the end of the year *	329.25	351.31	285.58	248.44	223.64
* Comprises:					
(a) Cash on hand	53.24	58.60	59.38	40.19	29.49
(b) Cheques in hand	49.23	29.64	10.77	14.90	11.15
(c) Balances with banks					
(i) In current accounts	167.08	210.50	154.65	151.22	147.48
(ii) In deposit accounts	-	0.22	-	-	7.74
(d) Credit Card Receivables	59.70	52.03	60.75	42.13	27.78
(e) Others - Gold coin (Nos: 1)	-	0.03	0.03	-	-
(f) Share in jointly controlled entity					
(i) In current accounts	-	0.29	-	-	-
Cash and cash equivalents at the end of the year	329.25	351.31	285.58	248.44	223.64

RESTATED SUMMARY STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	376.12	376.12	22.01	22.01	22.01
(b) Reserves and surplus	863.92	868.92	1,175.73	1,101.13	1,017.12
Sub total	1,240.04	1,245.04	1,197.74	1,123.14	1,039.13
2 Non-current liabilities					
(a) Long-term borrowings	346.09	376.83	439.90	560.21	657.17
(b) Other long-term liabilities	10.65	6.24	4.85	1.82	6.97
(c) Long-term provisions	9.53	7.06	6.19	5.06	5.99
Sub total	366.27	390.13	450.94	567.09	670.13
3 Current liabilities					
(a) Short-term borrowings	-	15.00	-	-	-
(b) Trade payables	408.97	377.85	287.40	240.00	277.83
(c) Other current liabilities	571.78	553.50	533.11	474.97	443.95
(d) Short-term provisions	14.60	20.10	12.32	26.22	29.61
Sub total	995.35	966.45	832.83	741.19	751.39
TOTAL	2,601.66	2,601.62	2,481.51	2,431.42	2,460.65
ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	941.69	1,017.51	1,040.67	1,072.74	1,091.68
(ii) Intangible assets	11.65	12.39	12.88	16.01	7.37
(iii) Capital work in progress	6.55	22.67	17.84	-	21.55
(iv) Intangible assets under development	-	2.59	2.59	2.59	6.03
(b) Non-current investments	909.62	895.88	817.58	808.05	808.05
(c) Deferred tax assets (net)	120.85	70.75	46.22	28.34	13.69
(d) Long-term loans and advances	176.43	184.99	174.17	168.26	173.96
(e) Other non-current assets	6.87	2.43	1.40	1.65	0.85
Sub total	2,173.66	2,209.21	2,113.35	2,097.64	2,123.18
2 Current assets					
(a) Inventories	150.92	126.48	108.29	87.10	99.66
(b) Trade receivables	62.01	34.80	37.33	8.67	9.85
(c) Cash and cash equivalents	171.81	192.18	186.14	193.35	178.37
(d) Short-term loans and advances	31.23	34.07	34.64	37.78	45.28
(e) Other current assets	12.03	4.88	1.76	6.88	4.31
Sub total	428.00	392.41	368.16	333.78	337.47
TOTAL	2,601.66	2,601.62	2,481.51	2,431.42	2,460.65

RESTATED SUMMARY STATEMENT OF STANDALONE STATEMENT OF PROFIT AND LOSS
(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
1 Revenue					
(a) Revenue from operations (gross)	3,183.30	2,964.01	2,842.25	2,582.26	2,337.07
(b) Other income	33.28	22.54	44.43	26.03	41.48
Total revenue as restated	3,216.58	2,986.55	2,886.68	2,608.29	2,378.55
2 Expenses					
(a) Cost of material consumed	241.85	211.40	222.31	196.64	163.88
(b) Purchases of stock-in-trade	141.64	120.17	109.14	83.32	80.18
(c) Changes in inventories of stock-in-trade and finished goods	(6.48)	(12.13)	(8.64)	(1.27)	(3.42)
(d) Employee benefits expense	781.82	707.14	686.45	587.09	586.97
(e) Finance costs	95.18	102.19	107.93	126.47	64.27
(f) Depreciation and amortisation expense	226.72	220.91	208.14	185.04	159.45
(g) Other expenses	1,690.79	1,566.25	1,461.72	1,305.94	1,199.17
Total expenses as restated	3,171.52	2,915.93	2,787.05	2,483.23	2,250.50
3 Profit before tax as restated (1-2)	45.06	70.62	99.63	125.06	128.05
4 Tax expense:					
(a) Current tax expense for the year	39.70	47.70	42.90	55.70	48.00
(b) Income tax expense for prior years	0.09	0.16	-	-	(0.13)
(c) Deferred tax credit	(29.58)	(24.54)	(17.87)	(14.65)	(12.04)
Total tax expenses as restated	10.21	23.32	25.03	41.05	35.83
5 Profit after tax as restated (3-4)	34.85	47.30	74.60	84.01	92.22
6 Earnings per share (of ₹ 10 each):					
Basic / Diluted (₹ per share)	0.94	1.27	2.01	2.26	2.49

RESTATED SUMMARY STATEMENT OF STANDALONE CASH FLOWS

	(₹ in million)				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
A. Cash flow from operating activities					
Net profit before tax as restated	45.06	70.62	99.63	125.06	128.05
<u>Adjustments for:</u>					
Depreciation and amortisation	226.72	220.91	208.14	185.04	159.45
(Profit) / loss on sale of assets	11.75	2.11	(26.79)	5.32	3.91
Adjustments to the carrying amount of investments	-	-	-	-	0.50
Provision for doubtful trade receivables	4.97	-	-	-	-
Provision for doubtful assets	0.61	-	-	-	-
Provision for impairment of investment	0.75	-	-	-	-
Provision for impairment of tangible fixed assets	-	-	-	8.90	2.92
Fixed assets damaged due to fire	-	1.99	-	-	-
Net (gain) / loss on sale on investments (net)	-	-	(0.27)	(0.45)	(0.05)
Finance costs	61.96	76.61	85.20	105.92	49.86
Dividend income	(1.23)	-	-	-	(15.05)
Interest income	(0.84)	(3.24)	(0.47)	(0.45)	(0.42)
Net unrealised exchange (gain) / loss	(0.29)	(0.39)	(0.59)	(1.32)	0.35
Operating profit before working capital changes	349.46	368.61	364.85	428.02	329.52
<u>Changes in working capital:</u>					
Adjusted for (increase) / decrease in operating assets					
Inventories	(24.45)	(18.19)	(21.19)	12.57	(45.17)
Trade receivable	(32.17)	2.51	(28.65)	1.59	1.94
Short term loans and advances	2.84	0.57	3.66	8.47	(7.23)
Long term loans and advances	2.96	(5.73)	(11.10)	(3.48)	(3.10)
Other current assets	(7.76)	(3.12)	5.12	(1.69)	(4.15)
Other non-current assets	-	-	-	(0.78)	(0.05)
Adjusted for increase/ (decrease) in operating liabilities					
Trade payables	31.35	90.39	47.43	(36.96)	58.20
Other current liabilities	60.08	0.94	70.20	26.30	12.02
Short-term provisions	(0.01)	-	0.12	(0.02)	0.33
Other long-term liabilities	4.40	1.39	2.91	(5.15)	0.27
Long-term provisions	2.47	0.86	1.14	(0.93)	1.78
Cash generated from operations	389.17	438.23	434.49	427.94	344.36
Net income tax paid	(45.28)	(40.07)	(56.92)	(54.05)	(42.88)
Net cash flow from operating activities (A)	343.89	398.16	377.57	373.89	301.48
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(202.02)	(212.15)	(216.98)	(156.75)	(341.14)
Proceeds from sale of fixed assets	4.05	1.16	58.17	0.91	3.01
Purchase of Current Investments	-	-	(20.00)	(280.00)	(25.05)
Purchase of Non-Current Investments	(14.49)	(78.30)	(9.53)	-	(109.75)
Proceeds from sale of Current Investments	-	-	20.27	280.45	30.13
Interest received	0.85	3.22	0.47	0.59	0.43
Dividend Income from Mutual Funds	1.23	-	-	-	0.05
Dividend Income from Subsidiary	-	-	-	-	42.35
Bank balance not considered as cash and cash equivalents	(4.45)	(1.01)	0.25	-	-
Net cash flow (used in) investing activities (B)	(214.83)	(287.08)	(167.35)	(154.80)	(399.97)
C. Cash flow from financing activities					
Proceeds from issue of equity shares	-	-	-	-	0.66
Redemption of preference shares	-	-	-	-	(354.11)
Movement of borrowings	(86.06)	(28.23)	(131.45)	(93.48)	543.58
Interest paid	(63.38)	(76.86)	(85.98)	(105.63)	(43.93)
Dividend Paid (including dividend tax)	-	-	-	(5.02)	(29.03)
Net cash flow (used in) / from financing activities (C)	(149.44)	(105.09)	(217.43)	(204.13)	117.17

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	(20.38)	5.99	(7.21)	14.96	18.68
Cash and cash equivalents at the beginning of the year	192.18	186.14	193.35	178.37	159.67
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.01	0.05	-	0.02	0.02
Cash and cash equivalents at the end of the year *	171.81	192.18	186.14	193.35	178.37
* Comprises:					
(a) Cash on hand	46.09	52.67	46.77	31.34	22.43
(b) Cheques in hand	19.60	17.69	9.79	12.28	10.00
(c) Balances with banks					
(i) In current accounts	74.63	96.18	88.07	121.61	124.73
(ii) In fixed deposit accounts	-	0.22	-	-	4.31
(iii) In earmarked accounts	-	-	-	-	-
(d) Credit Card Receivables	31.49	25.39	41.48	28.12	16.90
(e) Others - Gold coin (Nos: 1)	-	0.03	0.03	-	-
Cash and cash equivalents at the end of the year	171.81	192.18	186.14	193.35	178.37

THE OFFER

The following table summarizes the Offer details:

Offer[^]	Up to [●] Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares aggregating up to ₹ 4,000 million
Offer for Sale	
By Indivision India Partners ⁽²⁾	Up to 2,552,929 Equity Shares aggregating up to ₹ [●] million
By Leon International Limited ⁽³⁾	Up to 1,213,899 Equity Shares aggregating up to ₹ [●] million
<i>The Offer consists of:</i>	
A. QIB Portion⁽⁴⁾	[●] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion [*]	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion⁽⁴⁾	Not less than [●] Equity Shares
C. Retail Portion⁽⁴⁾	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	37,668,283 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of this Offer	See the section titled “Objects of the Offer” on page 94. Our Company will not receive any proceeds from the Offer for Sale.

[^] Our Company is considering a private placement of up to 1,800,000 Equity Shares for cash consideration aggregating up to ₹1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). If the Pre-IPO Placement is completed, the Offer size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

^{*} Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see the section titled “Offer Procedure” on page 322.

⁽¹⁾ The Fresh Issue has been authorized by our Board pursuant to its resolution dated August 12, 2015, and by our shareholders pursuant to their resolution dated August 14, 2015.

⁽²⁾ Approved by a resolution of the board of directors of Indivision India Partners dated June 19, 2015. Indivision India Partners has provided its consent to offer up to 2,552,929 Equity Shares by its consent letter dated September 14, 2015.

The Equity Shares offered by Indivision India Partners in the Offer for Sale have been held by it for a continuous period of at least one year prior to the date of the Draft Red Herring Prospectus and are accordingly eligible for being offered in accordance with Regulation 26(6) of the SEBI Regulations. For further details, see the section titled “Capital Structure” on page 78.

⁽³⁾ Approved by a resolution of the board of directors of Leon International Limited dated September 11, 2015. Leon International Limited has provided its consent to offer up to 1,213,899 Equity Shares by its consent letter dated September 15, 2015.

The Equity Shares offered by Leon International Limited in the Offer for Sale have been held by it for a continuous period of at least one year prior to the date of the Draft Red Herring Prospectus and are accordingly eligible for being offered in accordance with Regulation 26(6) of the SEBI Regulations. For further details, see the section titled “Capital Structure” on page 78.

⁽⁴⁾ Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in

consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Note: The Offer shall constitute [●]% of our post-Offer equity share capital. Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least 10% of the post-Offer paid-up Equity Share capital of our Company. The Offer comprises the Fresh Issue which shall constitute at least [●]% of our post-offer equity share capital and the Offer for Sale which shall constitute [●]% of our post-offer equity share capital. The Rupee amount of the Retail Discount, if any, will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs and advertised in an English and Hindi national daily newspaper, each with wide circulation in the place where our Registered Office is situated, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. Retail Individual Bidders bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount does not exceed ₹ 200,000. Retail Individual Bidders must mention the Bid Amount while filling the “SCSB/Payment Details” block in the Bid cum Application Form.

GENERAL INFORMATION

Our Company was incorporated as ‘Curls & Curves (India) Private Limited’, a private limited company under the Companies Act, 1956 and a certificate of incorporation issued by the RoC on October 23, 1996 at Delhi. A fresh certificate of incorporation was issued by the RoC upon conversion of our Company into a public company named ‘Curls & Curves (India) Limited’ on April 20, 1999. Subsequently, the name of our Company was changed to ‘VLCC Health Care Limited’ pursuant to a fresh certificate of incorporation issued by the RoC on November 18, 2004.

Registration Number: 55-82842

Corporate Identity Number: U74899DL1996PLC082842

Registered Office

M-14 Greater Kailash-II

Commercial Complex

New Delhi 110 048, India

Telephone: +91 11 4163 1975

Facsimile: +91 11 4108 0266

Website: www.vlccwellness.com

For details relating to the change in the registered office of our Company, see the section titled “*History and Certain Corporate Matters – Changes in the Registered Office of our Company*” on page 180.

Corporate Office

64, HSIIDC, Maruti Industrial Area

Sector 18, Gurgaon 122 015, India

Telephone: +91 124 4719 700

Facsimile: +91 124 4011 371

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies located at the following address:

Registrar of Companies, NCT of Delhi and Haryana

4th Floor, IFCI Tower

61, Nehru Place

New Delhi 110 019, India

Board of Directors

The following table sets out the details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. Mukesh Luthra Designation: Chairman and Non-executive Director Occupation: Business	57	00296830	Post Box no. 15818 (Adilya), Building no. 162, Road no. 66, Block no. 362, Bilad Al Qadeem, Zinj, Bahrain
Mr. Sandeep Ahuja Designation: Managing Director and Group CEO	53	00043118	C-2619, Sushant Lok-1, Gurgaon 122 001, Haryana, India

Name, Designation and Occupation	Age (years)	DIN	Address
Occupation: Service			
Mr. Om Prakash Khaitan Designation: Independent Director Occupation: Professional	71	00027798	N-12, Panchsheel Park, New Delhi 110 017, India
Mr. Sanjay Kapoor Designation: Independent Director Occupation: Professional	53	01973450	709-A, Beverly Park I, DLF Phase II, Gurgaon 122 002, India
Mr. Sanjay Mehta Designation: Independent Director Occupation: Professional	52	00297971	C-6, Ground Floor, Maharani Bagh, New Delhi 110 065, India
Ms. Shabana Azmi Designation: Independent Director Occupation: Activist/Actor	63	06551017	702, Sagar Samrat, Green Field, Juhu, Mumbai 400 049, Maharashtra, India
Mr. Sameer Sain Designation: Nominee Director Occupation: Professional	44	01164185	341 Bukit Timah Road, No. 07-02 Honolulu Tower, 259 719, Singapore
Mr. Alok Oberoi Designation: Nominee Director Occupation: Professional	52	01779655	21, Blomfield Road, London W91AD, United Kingdom

For brief profiles and further details of our Directors, see the section titled “*Our Management*” on page 211.

Group Chief Financial Officer

Mr. Narinder Kumar

64, HSIIDC, Maruti Industrial Area

Sector 18, Gurgaon 122 015, India

Telephone: +91 124 4719 700

Facsimile: +91 124 4011 371

E-mail: cfo.office@vlccwellness.com

Company Secretary and Compliance Officer

Ms. Soniya Khandelwal

64, HSIIDC, Maruti Industrial Area

Sector 18, Gurgaon 122 015, India

Telephone: +91 124 4719 700

Facsimile: +91 124 4011 371

E-mail: investors@vlccwellness.com

Investors can contact the Compliance Officer, the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc.

For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSBs or the member of the Syndicate at Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the Designated Branch or the collection centre of the SCSB or the member of the Syndicate at Specified Locations or the Registered Broker at the Broker Centres where the Bid cum Application Form was submitted. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

All other grievances relating to this Offer may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the member of the Syndicate or the Registered Broker where the Bid cum Application Form was submitted.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. With respect to the Bid cum Application Forms submitted with Registered Brokers, investors shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Book Running Lead Managers

ICICI Securities Limited ICICI Centre H. T. Parekh Marg Churchgate, Mumbai 400 020, India Telephone: +91 22 2288 2460 Facsimile: +91 22 2282 6580 E-mail: vlcc.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Anurag Byas SEBI Registration No.: INM000011179	Citigroup Global Markets India Private Limited 14 th Floor, First International Financial Centre Bandra Kurla Complex, Mumbai 400 051, India Telephone: +91 22 6175 9999 Facsimile: +91 22 6175 9897 E-mail: vlcc.ipo@citi.com Investor Grievance E-mail: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Mr. Aditya Doshi SEBI Registration No.: INM000010718	Axis Capital Limited Axis House, 1st Floor, C-2 Wadia International Center P. B. Marg, Worli Mumbai 400 025, India Telephone: +91 22 4325 2183 Facsimile: +91 22 4325 3000 E-mail: vlcc.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mr. Akash Aggarwal SEBI Registration No.: INM000012029

Statement of inter-se allocation among the Book Running Lead Managers

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	I Sec, Citi , Axis Cap	I Sec
2.	Pre Offer – Due Diligence on the Company, DRHP drafting, compliance and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of RHP, Prospectus and SEBI, RoC filing and co-ordination of all agreements namely Offer agreement, Registrar agreement, Syndicate agreement, Escrow agreement and Underwriting agreement.	I Sec, Citi , Axis Cap	I Sec
3.	Coordinating approval of all statutory advertisements in relation to the Offer.	I Sec, Citi , Axis Cap	I Sec
4.	Coordinating approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	I Sec, Citi , Axis Cap	Citi
5.	Appointment of other intermediaries including Bankers to the Offer, printers and advertising agency and Registrar to the Offer.	I Sec, Citi , Axis Cap	Axis Cap
6.	International institutional marketing of the Offer, which will cover, inter alia: • Finalizing the list and division of investors for one to one meetings; • Finalizing road show schedule and investor meeting schedules; and • Preparation of roadshow presentation.	I Sec, Citi , Axis Cap	Citi
7.	Domestic institutional marketing including: • finalization of the list and division of investors for one to one meetings; • institutional allocation; and • finalizing the list and division of investors for one to one meetings, and finalizing investor meeting schedules.	I Sec, Citi , Axis Cap	I Sec
8.	Non-institutional and retail marketing of the Offer, which will cover, <i>inter alia</i> : • Formulating marketing strategies; • Preparation of publicity budget; • Finalizing media and public relations strategy; • Finalizing centres for holding conferences for brokers etc.; and • Distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material; and finalizing collection centres.	I Sec, Citi , Axis Cap	Axis Cap
9.	Finalization of pricing in consultation with the Company and Managing the book.	I Sec, Citi , Axis Cap	I Sec
10.	Co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading.	I Sec, Citi , Axis Cap	Citi
11.	Post-bidding activities – co-ordination on anchor, management of escrow accounts, co-ordination of non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to Bidder. The post Offer activities for the Offer will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat and delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work	I Sec, Citi , Axis Cap	Axis Cap

S. No.	Activity	Responsibility	Co-ordination
	such as the Registrar(s) to the Offer and Escrow Collection and Refund Banks. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.		

Syndicate Members

[●]

Legal Counsel to the Company as to Indian Law

Luthra & Luthra Law Offices

103, Ashoka Estate

24, Barakhamba Road

New Delhi 110 001, India

Telephone: +91 11 4121 5100

Facsimile: +91 11 2372 3909

Legal Counsel to the Book Running Lead Managers as to Indian Law

Shardul Amarchand Mangaldas & Co

Amarchand Towers

216 Okhla Industrial Estate Phase – III

New Delhi 110 020, India

Telephone: +91 11 4159 0700

Facsimile: +91 11 2692 4900

Legal Counsel to the Book Running Lead Managers as to United States Federal Law

Allen & Overy LLP

9th Floor, Three Exchange Square

Central, Hong Kong SAR

Telephone: +852 2974 7000

Facsimile: +852 2974 6999

Legal Counsel to the Selling Shareholders

Khaitan & Co

One Indiabulls Center

13th Floor, Tower 1

841, Senapati Bapat Marg

Elphinstone Road

Mumbai 400 013, India

Telephone: +91 22 6636 5000

Facsimile: +91 22 6636 5050

Registrar to the Offer

Karvy Computershare Private Limited

Karvy Selenium Tower B

Plot 31-32, Gachiboli, Financial District, Nanakramguda

Hyderabad 500 032, India

Telephone: +91 40 6716 2222

Facsimile: +91 40 2343 1511

E-mail: einward.ris@karvy.com

Investor Grievance E-mail: vlcc.ipo@karvy.com
Website: www.karishma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR00000021

Escrow Collection Banks

[●]

Refund Bankers

[●]

Self Certified Syndicate Banks

The list of SCSBs is available on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the Bid cum Application Forms, is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, and at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer to Registered Brokers at the Registered Broker Centres. The list of Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively. For further details, see the section titled “Offer Procedure” on page 322.

Auditors to our Company

M/s Deloitte Haskins & Sells, Chartered Accountants

7th Floor, Building 10
Tower B, DLF Cyber City Complex
DLF City Phase-II
Gurgaon – 122002, Haryana, India
Telephone: + 91 124 6792 000, +91 124 67922200
Facsimile: +91 124 6792 012
Website: www.deloitte.com
Firm Registration Number: 015125N

Bankers to our Company

Axis Bank Limited Red Fort Capital, Parsvanath Towers, Second Floor Bhai Veer Singh Marg, Gole Market New Delhi 110 001 Telephone: +91 11 4368 2400 Facsimile: +91 11 4368 2447 E-mail: avnit.arora@axisbank.com Website: www.axisbank.com Contact Person: Ms. Avnit Arora	Kotak Mahindra Bank Limited Kotak Aerocity, 1 st Floor, Asset Area 9 Ibis Commercial Block, IGI Airport New Delhi 110 037, India Telephone: +91 11 6617 6129 Facsimile: +91 11 6608 4599 E-mail: preeti.kathuria@kotak.com Website: www.kotakbank.com Contact Person: Ms. Preeti Kathuria
HDFC Bank Limited Second Floor, Indian Express Building Bahadur Shah Zafar Marg, ITO	Yes Bank Limited D-12, Yes Bank Limited, Part 2 New Delhi 110 049, India

New Delhi 110 002, India Telephone: +91 11 3026 1901 Facsimile: +91 11 4152 1398 E-mail: kanika.jaswal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Ms. Kanika Jaswal	Telephone: +91 98112 08281 Facsimile: +91 11 2625 4000 E-mail: himanshu.guptal@yesbank.com Website: www.yesbank.in Contact Person: Mr. Himanshu Gupta

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Monitoring Agency

Since the proceeds from the Fresh Issue are less than ₹ 5,000 million, in terms of Regulation 16(1) of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. As required under the Equity Listing Agreements, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Offer. We will disclose the utilization of the proceeds of the Offer under a separate head along with details, if any in relation to all such proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Offer in our balance sheet for the relevant financial years.

Expert

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

Our Company has received consent from the Auditors namely, M/s Deloitte Haskins & Sells, Chartered Accountants to include their name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their examination reports dated September 8, 2015 on our restated standalone financial information and consolidated restated financial information and their report dated September 21, 2015 on the 'Statement of Tax Benefits' included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the Securities Act.

Appraising Agency

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

Credit Rating

As this is an offer of equity shares, credit rating is not required.

Trustees

As this is an offer of equity shares, the appointment of trustees is not required.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

- (1) our Company;
- (2) the Selling Shareholders;
- (3) the BRLMs;
- (4) Syndicate Members;

- (5) Registrar to the Offer;
- (6) Escrow Collection Banks and Refund Banks; and
- (7) SCSBs and Registered Brokers.

This Offer is being made for at least 10% of the fully diluted post-Offer capital, pursuant to Rule 19(2)(b) of SCRR read with Regulation 41 of the SEBI Regulations. This Offer is being made through the Book Building Process, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs.

Our Company and Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. For further details, see the section titled “*Offer Procedure*” on page 322.

Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price.

Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

All investors, other than Anchor Investors, can participate through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. However, QIBs (excluding Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA only.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Category and Non-Institutional Bidders bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of the Basis of Allotment. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. For further details, see the sections titled “*Offer Structure*” and “*Offer Procedure*” on pages 317 and 322 respectively.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer and the Selling Shareholders will comply with the SEBI Regulations and any other ancillary directions issued by SEBI in relation to the Equity Shares offered by such Selling Shareholders under the Offer for Sale. In this regard, our Company and Selling Shareholders have appointed the BRLMs to manage this Offer and procure subscriptions to this Offer.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investor should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see section titled “Offer Procedure – Who can Bid?” on page 323.
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective form;
- Except for bids on behalf of the Central or State Government, officials appointed by the courts and by investors residing in the State of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form (see the section titled “Offer Procedure” on page 322). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants’ verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your PAN, DP ID and Client ID given in the Bid cum Application Form. Based on these parameters, the Registrar will obtain the Demographic Details of the Bidders from the Depositories. Ensure the correctness of your Demographic Details given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will have to be submitted only at Designated Branches or the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. Ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time). It may also be submitted in electronic form to the Designated Branches with whom the ASBA Account is maintained. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB, the Syndicate or Registered Brokers to ensure that their ASBA Form is not rejected;
- Bids by non-ASBA Bidders will have to be submitted with the Syndicate (or their authorized agents) at the bidding centres or the Registered Brokers at the Broker Centres; and
- Bids by QIBs (except Anchor Investors) and Non-Institutional Investors shall be submitted only through the ASBA process.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer, and does not illustrate bidding by Anchor Investors)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bid/offer period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to offer the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company and the Selling Shareholders, in consultation with Book Running Lead Managers, will finalise the offer price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the offer price and cut-off price are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the Book Running Lead Managers shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalization of the 'Basis of Allotment'.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below:

		₹
	Aggregate nominal value	Aggregate value at Offer Price
A) AUTHORISED SHARE CAPITAL		
50,000,000 Equity Shares	500,000,000	
B) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER[^]		
37,668,283 Equity Shares	376,682,830	
C) PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
Public offer of up to [●] Equity Shares	[●]	[●]
<i>Of which:</i>		
Fresh Issue of up to [●] Equity Shares ^(a)	[●]	[●]
Offer for Sale of up to 3,766,828 Equity Shares ^(b)	[●]	[●]
<i>Of which:</i>		
QIB Portion of [●] Equity Shares	[●]	[●]
<i>Of which:</i>		
Anchor Investor Portion of up to [●] Equity Shares	[●]	[●]
Net QIB Portion of up to [●] Equity Shares	[●]	[●]
<i>Of which:</i>		
Available for allocation to Mutual Funds only	[●]	[●]
Other QIBs (including Mutual Funds)	[●]	[●]
Non-Institutional Portion of not less than [●] Equity Shares	[●]	[●]
Retail Portion of not less than [●] Equity Shares	[●]	[●]
D) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
[●] Equity Shares	[●]	[●]
E) SECURITIES PREMIUM ACCOUNT		
Before the Offer		637,709,624
After the Offer [*]		[●]

[^] Our Company is considering a private placement of up to 1,800,000 Equity Shares for cash consideration aggregating up to ₹1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the Offer size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

^{*} The securities premium account will be determined after completion of the book building process and determination of the Offer Price.

- (a) The Fresh Issue has been authorized by our Board pursuant to its resolution dated August 12, 2015, and by our shareholders pursuant to their resolution dated August 14, 2015.
- (b) Indivision India Partners and Leon International Limited have obtained approval for participation in the Offer for Sale pursuant to a resolution of their board of directors dated June 19, 2015 and September 11, 2015, respectively, and have provided their consent to offer up to 2,552,929 Equity Shares and 1,213,899 Equity Shares, by their consent letters dated September 14, 2015 and September 15, 2015, respectively.

The Equity Shares being offered in the Offer for Sale, as stated above, have been held by the Selling Shareholders for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

Changes in our Authorised Share Capital

- The initial authorised share capital of our Company of ₹ 1 million comprising 100,000 Equity Shares was increased to ₹ 5 million divided into 500,000 Equity Shares pursuant to a shareholders resolution dated August 10, 1998.

2. The authorised share capital of our Company was increased to ₹ 20 million divided into 2,000,000 Equity Shares pursuant to a shareholders resolution dated March 21, 2000.
3. The authorised share capital of our Company was increased to ₹ 255 million divided into 2,000,000 Equity Shares and 2,350,000 Preference Shares pursuant to a shareholders resolution dated June 23, 2004.
4. The authorised share capital of our Company was increased to ₹ 400 million divided into 2,000,000 Equity Shares and 3,800,000 Preference Shares pursuant to a shareholders resolution dated June 29, 2005.
5. The authorised share capital of our Company was reclassified as ₹ 400 million divided into 4,589,000 Equity Shares and 3,541,100 Preference Shares pursuant to a shareholders resolution dated September 23, 2010.
6. The authorised share capital of our Company was reclassified as ₹ 400 million divided into 40,000,000 Equity Shares pursuant to a shareholders resolution dated February 12, 2011.
7. The authorised share capital of our Company was increased to ₹ 500 million divided into 50,000,000 Equity Shares pursuant to a shareholders resolution dated August 14, 2015.

Notes to Capital Structure

1. Share Capital History

(a) History of equity share capital of our Company

Date of allotment*	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration – Cash/Bonus/Other than Cash	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
October 23, 1996	200	10	10.00	Cash	Subscription to the MoA ⁽¹⁾	200	2,000
March 27, 1998	50,000	10	10.00	Cash [#]	Further issue ⁽²⁾	50,200	502,000
August 14, 1998	449,800	10	10.00	Cash [#]	Further issue ⁽³⁾	500,000	5,000,000
March 1, 1999	700	10	10.00	Cash	Further issue ⁽⁴⁾	500,700	5,007,000
March 31, 2000	500,900	10	10.00	Cash	Preferential allotment ⁽⁵⁾	1,001,600	10,016,000
March 31, 2001	550,000	10	10.00	Cash	Preferential allotment ⁽⁶⁾	1,551,600	15,516,000
August 12, 2009	21,163	10	58.00	Cash	Preferential allotment ⁽⁷⁾	1,572,763	15,727,630
	25,098	10	180.00	Cash	Preferential allotment ⁽⁸⁾	1,597,861	15,978,610
	252,586	10	568.56	Cash	Preferential allotment on conversion of warrants ⁽⁹⁾	1,850,447	18,504,470
March 8, 2011	65,704	10	10.00	Cash	Rights issue of 22 Equity Shares for every 100 Equity Shares held ⁽¹⁰⁾	1,916,151	19,161,510
	341,132	10	1,465.71	Cash	Preferential allotment on conversion of CCDs ⁽¹¹⁾	2,257,283	22,572,830
Equity Shares issued in the last two years							

Date of allotment*	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration – Cash/Bonus/Other than Cash	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
September 27, 2013	35,411,000	10	-	Bonus	Bonus issue of 15.69 [#] Equity Shares for every one Equity Share held ⁽¹²⁾	37,668,283	376,682,830

* The Equity Shares were fully paid-up on the date of their allotment.

[#] In respect of these allotments, the Form 2s filed with the RoC inadvertently states that these allotments were made for consideration other than cash.

⁽¹⁾ Subscription to the MoA by Mr. Mukesh Luthra (100 Equity Shares) and Ms. Vandana Luthra (100 Equity Shares).

⁽²⁾ Mr. Mukesh Luthra and Ms. Vandana Luthra were allotted 25,000 Equity Shares each.

⁽³⁾ Mr. Mukesh Luthra was allotted 349,800 Equity Shares and Ms. Vandana Luthra was allotted 100,000 Equity Shares.

⁽⁴⁾ Ms. Anita Kapoor, Ms. Anju Malik, Ms. Freida Steele, Ms. Monika Bahl, Ms. Reema Hingorani, Ms. Shobha Sehgal and Mr. Sumit Kumar were allotted 100 Equity Shares each.

⁽⁵⁾ Mr. Mukesh Luthra was allotted 175,100 Equity Shares, Ms. Vandana Luthra was allotted 325,100 Equity Shares, Mr. Ashok Jain was allotted 600 Equity Shares and Ms. Rubina Sharif was allotted 100 Equity Shares.

⁽⁶⁾ Ms. Vandana Luthra was allotted 550,000 Equity Shares.

⁽⁷⁾ VLCC Employee Welfare Trust was allotted 21,163 Equity Shares.

⁽⁸⁾ VLCC Employee Welfare Trust was allotted 25,098 Equity Shares.

⁽⁹⁾ 252,586 Equity Shares were allotted to Shine Limited upon conversion of share warrants pursuant to an amendment to the Shine Agreements dated August 7, 2009. For further details, including the subsequent transfer of these Equity Shares to Leon International Limited, see the section titled “History and Certain Corporate Matters – Material Agreements” on page 183.

⁽¹⁰⁾ VLCC Employees Welfare Trust was allotted 10,171 Equity Shares and Leon International Limited was allotted 55,533 Equity Shares.

⁽¹¹⁾ Pursuant to the conversion of 5,000,000 CCDs held by Indivision India Partners, it was allotted 341,132 Equity Shares. For further details see the section titled “History and Certain Corporate Matters – Material Agreements” on page 183.

⁽¹²⁾ Bonus issue pursuant to the capitalization of ₹ 354,110,000 from the capital redemption reserve account. Mr. Mukesh Luthra was allotted 8,628,094 Equity Shares, Ms. Vandana Luthra was allotted 15,706,268 Equity Shares, Ms. Meera Luthra was allotted 1,569 Equity Shares, Ms. Pallavi Luthra was allotted 1,569 Equity Shares, Mr. Anurag Bhatia was allotted 1,569 Equity Shares, Mr. Varun Puri was allotted 1,569 Equity Shares, VLCC Employees Welfare Trust was allotted 885,274 Equity Shares, Leon International Limited was allotted 4,833,599 Equity Shares and Indivision India Partners was allotted 5,351,489 Equity Shares.

(b) History of preference share capital of our Company

Date of allotment*/ Redemption	Number of Preference Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital (₹)
July 3, 2004	1,362,000	100	100.00	Cash	Preferential allotment to Shine Limited	1,362,000	136,200,000
January 25, 2005	874,400	100	100.00	Cash	Preferential allotment to Shine Limited	2,236,400	223,640,000
July 7, 2005	1,304,700	100	100.00	Cash	Preferential allotment to Shine Limited	3,541,100	354,110,000
October 30, 2010	3,541,100	100	-	-	Redemption [#]	-	-

* The Preference Shares were fully paid-up on the date of their allotment.

[#] All Preference Shares were redeemed for a total amount of ₹ 354,110,000.

As on the date of this Draft Red Herring Prospectus, our Company does not have any issued, subscribed or paid-up preference share capital.

(c) Shares issued for consideration other than cash

Details of Equity Shares issued for consideration other than cash/bonus are as follows:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to our Company

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to our Company
September 27, 2013	35,411,000	10	-	Bonus issue of 15.69 [#] Equity Shares for every one Equity Share held by capitalization of ₹ 354,110,000 from the Capital Redemption Reserve Account.	Mr. Mukesh Luthra, Ms. Vandana Luthra, Ms. Meera Luthra, Ms. Pallavi Luthra, Mr. Anurag Bhatia, Mr. Varun Puri, VLCC Employee Welfare Trust, Leon International Limited and Indivision India Partners.	-

[#] Rounded off to two decimal points.

Our Company has not issued any bonus shares out of capitalization of its revaluation reserves or unrealized profits.

2. History of Build up, Contribution and Lock-in of Promoters' Shareholding

a) Build up of Promoters' shareholding in our Company

Set forth below is the build up of the equity shareholding of our Promoters since incorporation of our Company:

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Consideration	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)	% of pre- Offer capital	% of post- Offer capital
Mr. Mukesh Luthra	October 23, 1996	Subscription to the MoA	100	Cash	10	10.00	Negligible	[●]
	March 27, 1998	Further issue	25,000	Cash	10	10.00	0.07	[●]
	August 14, 1998	Further issue	349,800	Cash	10	10.00	0.93	[●]
	March 31, 2000	Preferential allotment	175,100	Cash	10	10.00	0.46	[●]
	September 27, 2013	Bonus issue of 15.69 [#] Equity Shares for every one Equity Share held	8,628,094	Bonus	10	-	22.91	[●]
<i>Sub-total</i>			9,178,094				24.37	[●]
Ms. Vandana Luthra	October 23, 1996	Subscription to the MoA	100	Cash	10	10.00	Negligible	[●]
	March 27, 1998	Further issue	25,000	Cash	10	10.00	0.07	[●]
	August 14, 1998	Further issue	100,000	Cash	10	10.00	0.27	[●]
	March 31, 2000	Preferential allotment	325,100	Cash	10	10.00	0.86	[●]
	March 31, 2001	Transfer from certain existing shareholders [*]	900	Cash	10	10.00	Negligible	[●]
	March 31, 2001	Preferential allotment	550,000	Cash	10	10.00	1.46	[●]
	July 12, 2013	Transfer from Ms. Kamini Arora (existing Promoter Group)	100	Cash	10	10.00	Negligible	[●]
	September 27, 2013	Bonus issue of 15.69 [#] Equity Shares for every one Equity Share held	15,706,268	Bonus	10	-	41.70	[●]
<i>Sub-total</i>			16,707,468				44.35	[●]
Total			25,885,562				68.72	[●]

^{*} Mr. Ashok Jain transferred 600 Equity Shares and Ms. Anju Malik, Ms. Suneet Kaur and Ms. Rubina Sharif transferred 100 Equity Shares each.

[#] Rounded off to two decimal points.

All the Equity Shares held by the Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

b) Shareholding of our Promoters and Promoter Group

Provided below are details of Equity Shares held by our Promoters and members of the Promoter Group.

S No.	Name of shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	%	No. of Equity Shares	%
Promoters					
1.	Ms. Vandana Luthra	16,707,468	44.35	16,707,468	[●]
2.	Mr. Mukesh Luthra	9,178,094	24.37	9,178,094	[●]
Sub total (A)		25,885,562	68.72	25,885,562	[●]
Promoter Group					
1.	Leon International Limited	5,141,718	13.65	3,927,819	[●]
3.	Ms. Pallavi Luthra	5,007	0.01	5,007	[●]
Sub total (B)		5,146,725	13.66	3,932,826	[●]
Total Promoter & Promoter Group (A+B)		31,032,287	82.38	29,818,388	[●]

* Assuming full subscription of the Fresh Issue and transfer of all of the Equity Shares offered through the Offer for Sale.

c) Details of Promoters' contribution and lock-in for three years

Pursuant to Regulation 36(a) of the SEBI Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

The lock-in of the Promoters' Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 25,885,562 Equity Shares constituting 68.72% of the issued, subscribed and paid-up Equity Share capital of our Company which are eligible for Promoters' Contribution.

Mr. Mukesh Luthra and Ms. Vandana Luthra have, pursuant to their letters each dated September 21, 2015, given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution, and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares	No. of Equity Shares locked-in	Date of allotment/ transfer	Face value (₹)*	Issue price (₹)	Nature of transaction	% of the fully diluted post-Offer Capital
Mr. Mukesh Luthra	100	[●]	October 23, 1996	10	10.00	Subscription to the MoA	[●]
	25,000	[●]	March 27, 1998	10	10.00	Further issue	[●]
	349,800	[●]	August 14, 1998	10	10.00	Further issue	[●]
	175,100	[●]	March 31, 2000	10	10.00	Preferential allotment	[●]

Name of the Promoter	No. of Equity Shares	No. of Equity Shares locked-in	Date of allotment/ transfer	Face value (₹)*	Issue price (₹)	Nature of transaction	% of the fully diluted post-Offer Capital
	8,628,094	[●]	September 27, 2013	10	-	Bonus issue of 15.69 [#] Equity Shares for every one Equity Share held	[●]
<i>Sub-total</i>	9,178,094	/●/					/●/
Ms. Vandana Luthra	100		October 23, 1996	10	10.00	Subscription to the MoA	[●]
	25,000	[●]	March 27, 1998	10	10.00	Further issue	[●]
	100,000	[●]	August 14, 1998	10	10.00	Further issue	[●]
	325,100	[●]	March 31, 2000	10	10.00	Preferential allotment	[●]
	900	[●]	March 31, 2001	10	10.00	Transfer from existing shareholders*	[●]
	550,000	[●]	March 31, 2001	10	10.00	Preferential allotment	[●]
	100	[●]	July 12, 2013	10	10.00	Transfer from Ms. Kamini Arora (existing promoter group)	[●]
	15,706,268	[●]	September 27, 2013	10	-	Bonus issue of 15.69 [#] Equity Shares for every one Equity Share held	[●]
<i>Sub-total</i>	16,707,468	/●/					/●/
Total	25,885,562	[●]					[●]

[#]Equity Shares were fully paid-up on the date of allotment.

Our Promoters have confirmed to our Company and the BRLMs that the acquisition of Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any banks or financial institution has been availed by them for this purpose.

While the Fresh Issue size aggregates up to ₹ 4,000 million, the actual number of Equity Shares that would be offered in the Fresh Issue cannot be determined at this stage. Our Company would be able to estimate the number of Equity Shares to be offered in the Fresh Issue upon finalization of the Offer Price. Consequently, our Company cannot determine the number of Equity Shares that are required to be offered by our Promoters towards Promoters' Contribution at this stage. However, we undertake to update the exact details of the number of Equity Shares forming part of Promoters' Contribution at the time of filing of the Prospectus with the RoC.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI Regulations.

The Equity Shares that are being locked in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares being locked in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares issued out of revaluations

- reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) The Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
 - (iii) Equity Shares issued to the Promoters upon conversion of a partnership firm; and
 - (iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

For such time that the Equity Shares under the Promoters' Contribution are locked in as per the SEBI Regulations, the Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Offer and pledge of such Equity Shares is one of the terms of sanction of loan. For such time that they are locked in as per the SEBI Regulations, the Equity Shares held by our Promoters in excess of the Promoters' Contribution may be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions if the pledge of the Equity Shares is one of the terms of the sanction of the loan. For details regarding the objects of the Offer, see the section titled "*Objects of the Offer*" on page 94.

The Equity Shares held by our Promoters may be transferred to and among the Promoters, members of the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

3. Sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.

Except as provided below there have been no sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.

Name of shareholder	Promoter/ Promoter Group /Director	Number of Equity Shares subscribed/ acquired	Number of Equity Shares sold
Ms. Vandana Luthra	Promoter	15,706,368	Nil
Mr. Mukesh Luthra	Promoter/ Director	8,628,094	Nil
Leon International Limited	Promoter Group	4,833,599	Nil

4. Sale or purchase of securities of our Company during the six months preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, our Promoters, the members of our Promoter Group and/or our Directors or their relatives have not sold or purchased securities of our Company during the six months preceding the date of this Draft Red Herring Prospectus:

Name	Promoter/ Promoter Group/ Director	Date	Number of Equity Shares	Transfer/ Purchase price	Nature of Transaction
Mr. Sandeep Ahuja	Managing Director and Group CEO	May 4, 2015	130,179	3.48*	Transfer from VLCC Employee Welfare Trust
Ms. Pallavi Luthra	Promoter Group	August 12, 2015	1,669	-	Gift from Ms. Meera Luthra (member of Promoter Group)
Ms. Pallavi Luthra	Promoter Group	August 12, 2015	1,669	-	Gift from Mr. Anurag Bhatia

* The exercise price for the total 130,179 Equity Shares issued against 130,179 options is as adjusted for the 122,378 Equity Shares issued against 122,378 options which resulted from the bonus issue on September 27, 2013 (for which the exercise price per Equity Share against these options was nil).

5. Details of share capital locked in for one year

Except for (a) the Promoters' Contribution which shall be locked in as above; (b) the Equity Shares, if any, held pursuant to allotment under the VLCC Stock Option Plan 2007 by persons who are employees of our Company as on the date of Allotment; and (c) Equity Shares which are successfully transferred as part of the Offer for Sale, the entire pre-Offer equity share capital of our Company (including those Equity Shares held by our Promoters in excess of Promoters' Contribution), shall be locked in for a period of one year from the date of Allotment. Additionally, any unsubscribed portion of the Offer for Sale being offered by the Selling Shareholders would also be locked in for one year from the date of Allotment.

In terms of Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoters and or members of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with provisions of the Takeover Code. The Equity Shares held by persons other than the Promoters prior to the Offer, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of the transferee and compliance with the provisions of the Takeover Code.

Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

6. Our shareholding pattern

The table below represents the equity shareholding pattern of our Company before the Offer and as adjusted for this Offer, including the Offer for Sale:

Description Category of Shareholder	Number of shareholders	Total number of Equity Shares	Pre Offer				Post Offer*				
			Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)		Shares pledged or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C+D)	Number of shares	As a % of the total number of shares			Number of shares	As a %
Shareholding of Promoters and Promoter Group (A)											
Indian											
Individuals/ Hindu Undivided Family	3	25,890,569	25,885,562	69.64	68.73	-	-	25,890,569	[●]	[●]	[●]
Central Government/ State Government (s)	-	-	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-	-	-
Foreign											
Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-
Bodies Corporate	1	5,141,718	-	13.83	13.65	-	-	3,927,819	[●]	[●]	[●]
Institutions	-	-	-	-	-	-	-	-	-	-	-
Qualified Foreign											

Description Category of Shareholder	Number of shareholders	Total number of Equity Shares	Pre Offer				Post Offer*				
			Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)		Shares pledged or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C+D)	Number of shares	As a % of the total number of shares			Number of shares	As a %
Investor											
Any Other	-	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters and Promoter Group (A)	4	31,032,287	25,885,562	83.47	82.38	-	-	29,818,388	[●]	[●]	[●]
Public shareholding (B)											
Institutions (B)(1)											
Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-
Venture Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investor	-	-	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-
Non-institutions (B)(2)											
Bodies Corporate	1	5,692,621	5,692,621	15.31	15.11	-	-	3,139,692	[●]	[●]	[●]
Individuals	13	451,862	-	1.22	1.20	-	-	451,862	[●]	[●]	[●]
Qualified foreign investor	-	-	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	14	6,144,483	5,692,621	16.53	16.31	-	-	3,591,554	[●]	[●]	[●]
Public shareholding pursuant to the Offer (B)(3)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Total Public Shareholding (B) = (B)(1)+(B)(2)+B(3)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]
(C) Shares held by custodians and against which Depository receipts have been issued	-	-	-	-	-	-	-	-	-	-	-
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-	-	-
(D) Non-promoter and	1	491,513	-	1.32	1.30	-	-	491,513	[●]	[●]	[●]

Description	Pre Offer							Post Offer*			
Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)		Shares pledged or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C+D)	Number of shares	As a % of the total number of shares			Number of shares	As a %
non-public (VLCC Employee Welfare Trust)											
GRAND TOTAL (A)+(B)+(C)+(D)	19	37,668,283	31,583,190	100.00	100.00	-	-	[●]	[●]	[●]	[●]

*Assuming full subscription of the Fresh Issue and transfer of all of the Equity Shares offered through the Offer for Sale. This does not include any Equity Shares that such shareholders (other than our Promoters, members of our Promoter Group and the Selling Shareholders) may Bid for and be Allotted.

7. Shareholding of our Directors and Key Managerial Personnel

Details of our Directors and Key Managerial Personnel who hold Equity Shares as on date of this Draft Red Herring Prospectus are as follows:

Name	No. of Equity Shares	% of pre-Offer capital
<i>Directors</i>		
Mr. Mukesh Luthra	9,178,094	24.37
Mr. Sandeep Ahuja	130,179	0.35
<i>Key Managerial Personnel (other than Directors)</i>		
Mr. Narinder Kumar	130,179	0.35
Mr. Ashutosh Bhardwaj	40,367	0.11
Mr. Prafull Dwivedi	37,864	0.10
Total	9,516,683	25.26

8. Public shareholders holding more than 1% of the pre-Offer paid-up capital of our Company

The details of the public shareholders holding more than 1% of the pre-Offer paid-up capital of our Company as on the date of this Draft Red Herring Prospectus and their pre-Offer and post-Offer shareholding are set forth in the table below:

Name of Shareholder	Pre-Offer		Post-Offer*	
	No. of Equity Shares	%	No. of Equity Shares	%
Indivision India Partners	5,692,621	15.11	3,139,692	[●]

*Assuming full subscription of the Fresh Issue and transfer of all of the Equity Shares offered through the Offer for Sale.

9. As on the date of this Draft Red Herring Prospectus, our Company has 19 holders of Equity Shares.

10. Top ten shareholders

1. Our top ten Equity Shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus and ten days prior to filing of the Draft Red Herring Prospectus:

S. No.	Shareholder	No. of Equity Shares Held	Percentage of Holding
1.	Ms. Vandana Luthra	16,707,468	44.35
2.	Mr. Mukesh Luthra	9,178,094	24.37
3.	Indivision India Partners	5,692,621	15.11
4.	Leon International Limited	5,141,718	13.65
5.	VLCC Employees Welfare Trust	491,513	1.30
6.	Mr. Sandeep Ahuja	130,179	0.35

S. No.	Shareholder	No. of Equity Shares Held	Percentage of Holding
7.	Mr. Narinder Kumar	130,179	0.35
8.	Mr. Ashutosh Bhardwaj	40,367	0.11
9.	Dr. Veena Agarwal	37,864	0.10
10.	Mr. Prafull Dwivedi	37,864	0.10
	Total	37,587,867	99.79

2. Our top ten Equity Shareholders two years prior to filing of this Draft Red Herring Prospectus:

S. No.	Shareholder	No. of Equity Shares Held	Percentage of Holding
1.	Ms. Vandana Luthra	1,001,200	44.35
2.	Mr. Mukesh Luthra	550,000	24.37
3.	Indivision India Partners	341,132	15.11
4.	Leon International Limited	308,119	13.65
5.	VLCC Employees Welfare Trust	56,432	2.50
6.	Ms. Meera Luthra	100	Negligible
7.	Ms. Pallavi Luthra	100	Negligible
8.	Mr. Anurag Bhatia	100	Negligible
9.	Mr. Varun Puri	100	Negligible
	Total	2,257,283	100.00

For details relating to the cost of acquisition of Equity Shares by our Promoters, see the section titled “Risk Factors – Prominent Notes” on page 49.

11. Employee Stock Option Schemes

In a general meeting held on June 26, 2007, the shareholders of our Company through a special resolution approved the VLCC Stock Option Plan 2007 which provided for grant of stock options to eligible employees of our Company and its subsidiaries to acquire Equity Shares. The options are to be converted into one equity share at a predetermined price determined at the time of the grant. The options granted vest in a graded manner and are to be exercised within a period of six years from the date of vesting.

The VLCC Stock Option Plan 2007 came into force on July 12, 2007, was last amended pursuant to a resolution of our shareholders dated August 14, 2015 and shall continue to remain in force until cancelled.

Our Company has issued a total of 941,706 Equity Shares in tranches to the VLCC Employee Welfare Trust at fair market value determined on various date of issue which it holds on behalf of employees till granted and vested options are exercised by employees. As on the date of this Draft Red Herring Prospectus, VLCC Employee Welfare Trust holds 491,513 Equity Shares.

In accordance with the VLCC Stock Option Plan 2007, the aggregate number of options to be granted shall not exceed 2.50% of the issued equity share capital of our Company (currently approximately 941,706 Equity Shares), therefore, 941,706 options could be granted to eligible employees of our Company exercisable into 941,706 Equity Shares. Till July 31, 2015, our Company has granted 751,074 options (including 517,008 options granted on account of issue of bonus shares), convertible into 751,074 Equity Shares to eligible employees under the VLCC Stock Option Plan 2007 of which 121,025 options have lapsed/ been forfeited. As on July 31, 2015, 479,280 options have vested, 450,193 have been exercised and 179,856 are outstanding.

As per certificate dated September 16, 2015 provided by A S R & Co., Chartered Accountants, the VLCC Stock Option Plan 2007 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof.

The details of the VLCC Stock Option Plan 2007 are as follows:

Particulars	Details			
	Period between April 1, 2015 to July 31, 2015	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
No. of options outstanding as at beginning of the period	630,049	508,363	32,957	35,957
Options granted during the period	-	176,769	517,008	-
Pricing Formula of Options	Fair value Method			
Exercise price of options granted (₹)	-	58	Nil^	-
Total options vested (includes options exercised)	-	21,197	519,341	3,722
Options exercised	450,193	-	-	-
Total number of Equity Shares arising as a result of full exercise of options already granted	630,049	630,049	508,363	32,957
Options forfeited/ lapsed/ cancelled**	-	55,083	41,602	3,000
Variations in terms of options	-	Exercise period was increased from four years to six years		-
Money realised by exercise of options (₹)	2,457,842	-	-	-
Options outstanding (in force)	179,856	630,049	508,363	32,957
Person wise details of options granted to				
i) Directors and key/ senior managerial employees*				
	Name	No. of options		
		Granted	Exercised	Outstanding
	Mr. Sandeep Ahuja	130,179	130,179	-
	Mr. Narinder Kumar	130,179	130,179	-
	Mr. Prafull Dwivedi	50,000	37,864	12,136
	Mr. Ashutosh Bhardwaj	50,000	40,367	9,633
	Mr. Sanjeev Setia	16,571	-	16,571
ii) Any other employee* who received a grant in any one year of options amounting to 5% or more of the options granted during the year				
	Name of Employee	No. of options		
		Granted	Exercised	Outstanding
	Mr. Karan Rekhi	12,516	-	12,516
	Mr. Abhishek Goel	8,344	8,344	-
	Dr. G.S. Kochar	16,687	16,687	-
	Mr. Suryaakant Rastogi	8,344	8,344	-
	Mr. Sachin Mittal	8,344	8,344	-
	Mr. Ginu Nair**	8,344	8,344	-
	Mr. Nilanjan Bhattacharyya	20,000	-	20,000
	Mr. Deepanshu Khurana	15,000	-	15,000
	Mr. Manish Kumar Jha	10,000	-	10,000
	Mr. Ashok Kumar Rajput	10,000	-	10,000
	Mr. Partha Dutt	10,000	-	10,000

Particulars	Details																																			
	Period between April 1, 2015 to July 31, 2015	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013																																
iii) Identified employees* who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	None.																																			
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard as per restated accounts		Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013																																
	Standalone	0.94	1.27	2.01																																
	Consolidated	5.52	7.76	9.56																																
Vesting schedule	<table><tr><th>Vesting Date</th><th>No. of ESOP</th></tr><tr><td colspan="2">Grant date till March 31, 2008</td></tr><tr><td>On April 1, 2010</td><td>75% of the total Options granted</td></tr><tr><td>On April 1, 2011</td><td>25% of the total Options granted</td></tr><tr><td colspan="2">Grant date on and after April 1, 2008 till March 31, 2009</td></tr><tr><td>On April 1, 2010</td><td>One third</td></tr><tr><td>On April 1, 2011</td><td>One third</td></tr><tr><td>On April 1, 2012</td><td>One third</td></tr><tr><td colspan="2">Grant date on or after April 1, 2009 till March 31, 2014</td></tr><tr><td>One year from the date of grant</td><td>One third</td></tr><tr><td>Two years from date of grant</td><td>One third</td></tr><tr><td>Three years from date of grant</td><td>One third</td></tr><tr><td colspan="2">Grant date on or after April 1, 2014</td></tr><tr><td>One year from the date of grant or initial public offering of our Company, whichever is later</td><td>One third</td></tr><tr><td>One year from date of first vesting</td><td>One third</td></tr><tr><td>Two years from date of first vesting</td><td>One third</td></tr></table>				Vesting Date	No. of ESOP	Grant date till March 31, 2008		On April 1, 2010	75% of the total Options granted	On April 1, 2011	25% of the total Options granted	Grant date on and after April 1, 2008 till March 31, 2009		On April 1, 2010	One third	On April 1, 2011	One third	On April 1, 2012	One third	Grant date on or after April 1, 2009 till March 31, 2014		One year from the date of grant	One third	Two years from date of grant	One third	Three years from date of grant	One third	Grant date on or after April 1, 2014		One year from the date of grant or initial public offering of our Company, whichever is later	One third	One year from date of first vesting	One third	Two years from date of first vesting	One third
Vesting Date	No. of ESOP																																			
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Two years from date of grant	One third																																			
Three years from date of grant	One third																																			
Grant date on or after April 1, 2014																																				
One year from the date of grant or initial public offering of our Company, whichever is later	One third																																			
One year from date of first vesting	One third																																			
Two years from date of first vesting	One third																																			
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	Nil.																																			
Impact on the profits of our Company and on the EPS# arising	Nil.																																			

Particulars	Details			
	Period between April 1, 2015 to July 31, 2015	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)				
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Not applicable since market price is not available being an unlisted company.			
Method and significant assumptions used to estimate the fair value of options granted during the year: ^^				
Method used	Black Scholes Method			
Risk free interest rate	Interest rate equal to the life of options based on the zero coupon yield curve for government securities of 10 years government bonds.			
Expected Life	5.50 years			
Expected Volatility	Tending to zero as recommended by ICAI.			
Expected Dividends	Zero			
Price of underlying shares in market at the time of option grant	60.47			

[^] Options granted to employees holding options on issue of bonus shares in Fiscal Year 2014.

* Employees represent our permanent employees as on date of this Draft Red Herring Prospectus and do not include the employees whose options have been forfeited as they left our Company or our Subsidiaries, as the case may be.

** Employees who have since left our Company or our Subsidiaries, as the case may be.

Our Company has followed the fair value method of options for calculating employee compensation as per the SEBI (Share Based Employee Benefits) Regulations, 2014.

The intrinsic value per Equity Share and the exercise price was ₹60.47 and ₹94.00 respectively on January 25, 2015.

^{^^} The method used to estimate fair value of options is given for Fiscal Year 2015 only as options were not granted in Fiscal Year 2013 and options granted in Fiscal Year 2014 were on account of bonus shares to existing option holder.

Certain of our employees who have exercised their options under the VLCC Stock Option Plan 2007 after the same were vested or will be exercised prior to the Allotment under the Offer have agreed with Mr. Mukesh Luthra that, in the event that their employment with us is discontinued for any reason prior to an initial public offering by our Company and they wish to transfer the equity shares held by them, they have agreed to transfer all the Equity Shares held by them to Mr. Mukesh Luthra at a mutually acceptable price. In the event a mutually acceptable price is not arrived at, Mr. Mukesh Luthra will have a right of first refusal exercisable within 15 days of receiving the notice containing the details of the prospective buyer, the price and terms of the firm offer.

The holders of Equity Shares allotted upon exercise of options of VLCC Stock Option Plan 2007 do not intend to sell such Equity Shares within three months after the listing of the Equity Shares pursuant to the Offer. Further, none of our Directors, Key Managerial Personnel or employees hold options under VLCC Stock Option Plan 2007 which, upon exercise, will result in allotment of Equity Shares amounting to more

than 1% of the issued Equity Share capital of our Company.

12. Our Company has not issued any Equity Shares in the last one year preceding the date of filing of this Draft Red Herring Prospectus and therefore no Equity Shares have been issued in the last one year at a price lower than the Offer Price.
13. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Offer.
14. Over-subscription to the extent of 10% of the Offer can be retained for the purpose of rounding off while finalising the Basis of Allotment.
15. Neither the BRLMs nor their associates hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.
16. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Subsidiaries, the Directors, the Promoters, members of our Promoter Group or our Group Company, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
17. Our Company has not issued any Equity Shares out of its revaluation reserves.
18. Our Company has not raised any bridge loans against the Offer Proceeds.
19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.
20. Other than the options granted under the VLCC Stock Option Plan 2007 as described above, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
21. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
22. Except for the Fresh Issue, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement.
23. Except for the Pre-IPO Placement and the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
24. Any physical Equity Shares held by the members of our Promoter Group shall be converted into dematerialized form prior to filing of the Red Herring Prospectus with the RoC.
25. None of the Equity Shares held by the members of our Promoter Group are pledged or otherwise encumbered. None of the Equity Shares offered by the Selling Shareholders for sale through the Offer for Sale are pledged or otherwise encumbered.
26. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors

or their relatives may have financed the purchase of Equity Shares by any other person.

27. Our Promoters and members of our Promoter Group will not submit Bids or otherwise participate in this Offer, however, Leon International Limited, a member of our Promoter Group, is offering 1,213,899 Equity Shares as part of the Offer for Sale.
28. This Offer is being made for at least 10% of the fully diluted post-Offer capital, pursuant to Rule 19(2)(b) of SCRR read with Regulation 41 of the SEBI Regulations. This Offer is being made through the Book Building Process, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.
29. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Such inter-se spill-over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.
30. The Equity Shares issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
31. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
33. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of registering the RHP with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

OBJECTS OF THE OFFER

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell an aggregate of up to 3,766,828 Equity Shares held by them, aggregating up to ₹ [●] million. Our Company will not receive any proceeds from the Offer for Sale.

Objects of the Fresh Issue

The details of the proceeds of the Fresh Issue are summarized below:

(₹million)	
Particulars	Amount
Gross proceeds of the Fresh Issue*	[●]
(Less) Offer related expenses in relation to the Fresh Issue*	[●]
Net Proceeds	[●]

*To be finalised upon determination of the Offer Price.

After deducting the Offer related expenses in relation to the Fresh Issue, we estimate the proceeds of the Fresh Issue to be ₹ [●] million (“**Net Proceeds**”). The objects for which our Company intends to use the Net Proceeds are as follows:

1. Set up VLCC Wellness Centers and VLCC Institutes in India and investment in Subsidiary to set up VLCC Wellness Centers overseas;
2. Repayment/pre-payment, in full or part, of certain existing loan facilities of our Company and Subsidiaries;
3. Investment in Subsidiary to set up a manufacturing facility;
4. Investment in Subsidiary for brand development;
5. Investment in information technology infrastructure; and
6. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised through the Fresh Issue.

Requirement of funds and proposed schedule of deployment

We intend to utilize the Net Proceeds as per details set forth below:

(₹million)				
Particulars	Total Estimated Cost*	Amount to be deployed from the Net Proceeds in		
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Set up VLCC Wellness Centers and VLCC Institutes in India and investment in Subsidiary to set up VLCC Wellness Centers overseas	1,454.42	450.26	558.67	445.49
Repayment/ pre-payment, in full or part, of certain existing loan facilities of our Company and Subsidiaries	683.43	683.43	-	-
Investment in Subsidiary to set up a manufacturing facility	281.35	250.00	31.35	-
Investment in Subsidiary for brand development	500.00	250.00	250.00	-
Investment in information technology infrastructure	168.20	100.92	67.28	-
General corporate purposes**	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

* The entire estimated cost is proposed to be met from the Net Proceeds.

** The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and business needs, and are subject to revisions in light of changes in costs, financial condition, interest rate fluctuations, business, strategy or external circumstances which may not be in our control. In the event that estimated utilization out of the Net Proceeds in a Fiscal Year is not completely met, the same shall be utilized in the next Fiscal Year. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management or the respective Subsidiary, subject to compliance with applicable law. For further details, see the section titled “*Risk Factors - Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and may be revised from time to time.*” on page 47.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Fresh Issue, we may explore a range of options including utilising internal accruals and availing additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes in accordance with applicable law.

Details of the Objects

1. *Set up VLCC Wellness Centers and VLCC institutes in India and investment in Subsidiary to set up VLCC Wellness Centers overseas*

Our network of 236 VLCC Wellness Centers spans across 122 cities in India, South East Asia, the GCC Region and Africa. As of July 31, 2015, we had 187 VLCC Wellness Centers in India and 49 VLCC Wellness Centers overseas, out of which 175 centers are owned and operated by us. Further, as of July 31, 2015 we had 65 VLCC Institutes, out of which 42 are owned and operated by us. We believe there is an opportunity for further growth in the markets in which we operate as well as new markets, and in order to build on our track record of expansion, we plan to strategically increase our presence and market share in the beauty and wellness industry by setting-up VLCC Wellness Centers in India and overseas as well as VLCC Institutes for providing vocational education in India. In line with our past practice, certain of the wellness centers proposed to be set up will be as a result of strategic relocation of certain existing centers. In our experience, the cost and expenses in relocating an existing center are typically similar to those of setting up a new center.

We intend to utilize an aggregate of ₹ 1,454.42 million from the Net Proceeds for setting-up 64 VLCC Wellness Centers, and 15 VLCC Institutes, which will be owned and operated by us, during Fiscal Years 2017, 2018 and 2019, out of which we propose to utilize ₹ 648.06 million towards setting up VLCC Wellness Centers and VLCC Institutes in India and invest ₹ 806.36 million in our Subsidiary, VLCC International Inc. (which is the intermediate holding company for all our other Subsidiaries incorporated outside India), for setting up VLCC Wellness Centers in the GCC Region and Malaysia. The premises for each such wellness center and vocational institute is proposed to be taken on lease. The proposed utilization of the Net Proceeds towards setting up wellness centers and vocational institutes is as below:

India

Particulars	Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019	
	Number	Estimated cost (₹ million)	Number	Estimated cost (₹ million)	Number	Estimated cost (₹ million)
VLCC Wellness Centers	14	167.58	17	203.49	17	203.49
VLCC institutes	5	24.50	5	24.50	5	24.50
Total	-	192.08	-	227.99	-	227.99
Grand total (estimated cost)						648.06

Overseas

Particulars	Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019	
	Number	Estimated cost (₹ million)	Number	Estimated cost (₹ million)	Number	Estimated cost (₹ million)
VLCC Wellness Centers (in the GCC Region)	3	217.50	4	290.00	3	217.50
VLCC Wellness Centers (in Malaysia)	3	40.68	3	40.68	-	-
Total	-	258.18		330.68		217.50
Grand total (estimated cost)						806.36

The above estimates of number of centers and vocational institutes to be set up are internal management estimates and are based on current business needs. Given the dynamic nature of our business, number of centers/institutes between India and overseas or the total number of centers/institutes may vary from above estimates, subject to compliance with applicable law, in light of, *inter alia*, changes in costs, business, strategy, currency exchange rate or external circumstances which may not be in our control.

While the VLCC Wellness Centers and VLCC Institutes proposed to be set up in India will be operated by our Company, for setting up the wellness centers overseas, we intend to invest ₹ 806.36 million in VLCC International Inc., our Subsidiary, which will utilize such proceeds towards setting up the centers through its subsidiaries in the respective jurisdiction. Our centers in the GCC Region are owned and operated by our various Subsidiaries incorporated in the respective jurisdictions, while our centers in Malaysia are owned and operated by our Subsidiary, Wyann International (M) Sdn Bhd.

We will invest in our Subsidiary, VLCC International Inc., either in the form of debt or equity, which will be determined by our Company at the time of making such investment and has not been finalized as on the date of this Draft Red Herring Prospectus. Our Subsidiaries do not have any stated dividend policy and our Company cannot be assured of any dividends from them. Our Company will remain interested in our Subsidiaries, and will derive benefits from it, to the extent of our direct or indirect shareholding in them, or as a lender if funds are deployed in the form of debt. We believe that investment in our Subsidiaries in furtherance of the above stated object will enable us to earn increasing revenues on a consolidated basis, progressively scale our business, compete effectively, increase our visibility and expand our existing consumer base.

Estimated cost of setting up a wellness center in India

The costs for setting-up of a wellness center in a Metropolitan, Tier I or Tier II city in India would primarily comprise of capital investment relating to (i) interior works; (iii) slimming, beauty and fitness equipment; (iii) furniture and fixtures, (iv) office equipment, and (v) security deposit, amongst others. The offerings at our VLCC Wellness Centers in the India include slimming solutions and routine beauty services as well as advanced treatments and therapies for hair, skin and body. For providing consistent, quality service and experience to our customers across our wellness centers, each VLCC Wellness Center in India is equipped with certain standard equipment and appliances. Some of the key equipments at our centers include BCA machine which is utilized for body composition analysis with segmental readings, radio frequency, cavitation and ultrasonic based appliances which are used for slimming, anti-aging and skin tightening treatments and laser equipment for hair reduction treatments. In addition, we equip our centers with standard offerings for our customers such as treadmills, cross trainers, hair cutting salon, shampoo station and ayurveda tables and the like. Since the furnishing and equipment are standard in nature and procured centrally, the estimated costs remain largely the same for similar sized centres, irrespective of the location of the centre. Typically our wellness centers in Metropolitan, Tier I and Tier II cities are spread over 2,500 to 4,000 square feet per location. For estimating the average cost of establishment of a wellness centre an average carpet area of approximately 3,100 square feet has been considered.

Based on the above, the table below sets forth the total estimated costs for setting up or relocating a VLCC Wellness Center in India:

	Particulars	Total Estimated Cost (₹ million)
<i>Interior costs*</i>		
	Interior works which includes civil works, electrical works, air conditioning, fire detection, PA system, signage and other works, at the rate of ₹ 2,200 per square feet	7.07
<i>Slimming, beauty and fitness related equipment**</i>		
	Including body composition analyser, ultrasonic-based equipment, radio frequency and cavitation based appliances, laser equipment, treadmills, cross-trainers, massagers, dryers, steamers and the like.	2.81
<i>Office equipment**</i>		
	Including computers, televisions, printers and EPABX system	0.40
<i>Furniture and Fixtures**</i>		
	Including chairs, electric bed and trolleys.	0.48
<i>Security deposit#</i>		
	On an average of three months' rental	1.20
Total		11.97

The above estimated costs are based on the quotation letter dated September 16, 2015 from Corporate Solutions.

* The above estimated costs are based on the quotation letter dated September 9, 2015 from Geographics and letter dated August 15, 2015 received from Virtuous Vision.

** The estimates are based on quotations and estimates received from various vendors, each of which are dated not earlier than two months prior to the date of this Draft Red Herring Prospectus.

Based on the above, we estimate to utilize ₹ 574.56 million towards setting up VLCC Wellness Centers in India during Fiscal Years 2017, 2018 and 2019.

Estimated cost of setting up a wellness center overseas

GCC Region

Out of the 16 VLCC Wellness Centers proposed to be set up overseas for which funds will be deployed from Net Proceeds, 10 centers are proposed to be set up in the GCC Region, including in Kuwait and the United Arab Emirates, while six centers are proposed to be set up in Malaysia.

The costs for setting-up a wellness center in the GCC Region would primarily comprise of capital investment such as (i) interior costs, (ii) slimming, beauty and fitness equipment, (iii) office equipment and (iv) furniture and fixtures, and (v) security deposit, amongst others. However, since our VLCC Wellness Centers in GCC Region are divided into separate sections for men and women, as per the requirements of local laws, it entails that each center occupies a much larger area (compared to our centers in other locations) leading to higher costs incurred for interiors and furnishing. Further, separate sections for men and women also necessitate procuring additional equipment to be housed in each section. The offerings at our VLCC Wellness Centers in the GCC Region include slimming solutions and routine beauty services as well as advanced treatments and therapies for hair, skin and body. We equip our centers with standard offerings for our customers such as appliances for slimming, fitness and beauty treatments as well as regular beauty services. Since the furnishing and equipment are standard in nature and primarily procured centrally, the estimated costs remain largely the same for similar sized centres, irrespective of the location of the centre in the GCC Region. Typically our wellness centers in the GCC Region are spread over 3,000 to 7,000 square feet per location. For estimating the average cost of establishment of a wellness centre, an average carpet area of approximately 5,000 square feet has been uniformly considered for the centers in the GCC Region.

The table below sets forth the total estimated costs for setting up a VLCC Wellness Center in the GCC Region:

	Particulars	Total Estimated Cost (₹ million)
<i>Interior costs*</i>		
	Interior works which includes civil works, plumbing, drainage and sanitary	54.90

	Particulars	Total Estimated Cost (₹ million)
	fixtures, electrical works, civil defense, HVAC, signage and other works at the rate of AED 600 per square foot	
	<i>Slimming, beauty and fitness related equipments**</i>	
	Including body composition analyser, ultrasonic-based equipment, radio frequency and cavitation based slimming and beauty appliances, cross trainers, treadmills, massagers, video-dermascope, driers, steamers and the like.	8.57
	<i>Office equipment**</i>	
	Including computers, televisions, printers and EPABX system	1.35
	<i>Furniture and Fixtures**</i>	
	Including chairs, electric bed and trolleys.	2.29
	<i>Security deposit#</i>	
	On an average of three months' rental	5.39
	Total	72.50

The above estimated costs are based on the quotation letter dated September 15, 2015 from Al Rehan Real Estate LLC.

* The above estimated costs are based on the quotation letter dated August 31, 2015 from Division Nine Interior Design LLC and quotation letter dated September 9, 2015 received from Zoom communications.

** The estimates are based on quotations and estimates received from various vendors, each of which are dated not earlier than two months prior to the date of this Draft Red Herring Prospectus.

Based on the above, we propose to utilize ₹ 725.00 million towards setting up VLCC Wellness Centers in the GCC Region during Fiscal Years 2017, 2018 and 2019.

Malaysia

The costs for setting-up of a wellness center in Malaysia would primarily comprise of capitalized costs such as (i) interior costs; (ii) slimming, beauty and fitness equipment, (iii) office equipment, (iv) furniture and fixtures, and (v) security deposit, amongst other costs. The offerings at our VLCC Wellness Centers in the Malaysia are provided through two brands: *Bizzy Body*TM for weight loss programs and *Facial First*TM for beauty treatments. Our centers in Malaysia are equipped with standard offerings depending on the center and based on our historical experience, the estimated costs remain largely the same for similar sized centres, irrespective of the services offered or location of the centre. Typically our wellness centers in Malaysia are spread over 1,500 to 3,000 square feet per location. For estimating the average cost of establishment of a wellness centre, an average area of approximately 2,000 square feet has been considered for centers in Malaysia.

The table below sets forth the total estimated costs for setting up a VLCC Wellness Center in Malaysia:

	Particulars	Total Estimated Cost (₹ million)
	<i>Interior costs*</i>	
	Interior works which includes design and site management, flooring and ceiling, electrical works, air conditioning and signage	9.50
	<i>Slimming, beauty and fitness related equipment**</i>	
	Including body composition analyser, ultra sonic and radio frequency based slimming and beauty appliances, steamers massagers, microdermabrasion equipment and the like.	2.87
	<i>Office equipment**</i>	
	Including computers and laptops.	0.14
	<i>Furniture and Fixtures**</i>	
	Including consultation table, sofa sets and coffee tables.	0.11
	<i>Security deposit#</i>	
	On an average of three months' rental	0.95
	Total	13.56

The above estimated costs are based on the quotation letter dated September 15, 2015 from HSR Realtors (Malaysia) Sdn Bhd.

* Based on the quotation letter dated September 9, 2015 from Fusion design.

** The estimates are based on quotations and estimates received from various vendors, each of which are dated not earlier than two months prior to the date of this Draft Red Herring Prospectus.

Based on the above, we estimate to utilize ₹ 81.36 million towards setting up VLCC Wellness Centers in Malaysia during Fiscal Years 2017 and 2018.

Quotations and estimates received from vendors which were in AED, USD, Euro or RM have been converted into Rupee amounts based on exchange rates as on August 31, 2015 (sourced from www.oanda.com).

VLCC Institutes in India

Our costs for setting-up of a VLCC Institute in India primarily comprise of capitalized costs such as (i) interior costs; (ii) training equipment, (iii) office equipment and (iv) furniture and fixtures, amongst other costs. The equipments installed at our VLCC Institutes are routine equipments and machines, utilized for training of the students in basic wellness and beauty related services. These include beauty studio which is used for providing training on various beauty treatments and procedures, shampoo station, cutting chairs, crimping machines and the like. Since the furnishing and equipment are standard in nature, the estimated costs remain largely the same for similar sized institutes, irrespective of the location of the centre. Typically our vocational institutes are spread over 1,700 to 3,300 square feet per location. For estimating the average cost of establishment of a vocational institute an average area of approximately 2,500 square feet has been considered.

Based on the above, the table below sets forth the total estimated costs for setting up a VLCC Institute in India:

	Particulars	Total Estimated Cost (₹ million)
<i>Interior costs*</i>		
	Interior works which includes civil works, plumbing, air conditioning, fire detection and PA system, at the rate of ₹ 1,550 per square feet	3.88
<i>Training equipment**</i>		
	Including beauty studio, shampoo stations, make up chairs, hood steamers, manicure/pedicure station, equipment trolleys and the like.	0.20
<i>Office equipment**</i>		
	Including computers, laptops and printers.	0.13
<i>Furniture and Fixtures**</i>		
	Including chairs, electric bed and trolleys.	0.09
<i>Security deposit#</i>		
	On an average of three months' rental	0.60
Total		4.90

The above estimated costs are based on the quotation letter dated September 16, 2015 from Corporate Solutions.

** The above estimated costs are based on the quotation letter dated September 9, 2015 from Geographics.*

*** The estimates are based on quotations and estimates received from various vendors, each of which are dated not earlier than two months prior to the date of this Draft Red Herring Prospectus.*

Based on the above, we propose to utilize ₹ 73.50 million towards setting up VLCC Institutes in India during Fiscal Years 2017, 2018 and 2019.

We have not entered into any definitive agreements with any of above-mentioned contractors/ vendors and there can be no assurance that the same contractors/ vendors would be engaged to eventually supply the materials.

Our Promoter, Directors or Group Companies have no interest in the proposed procurements, as stated above.

2. Repayment or pre-payment, in full or part, of certain existing loan facilities of our Company and Subsidiaries

Our Company proposes to utilize ₹ 683.43 million from the Net Proceeds towards repayment or prepayment, in part or in full, of certain loan facilities availed by our Company and its Subsidiaries, VPCL and VLCC International LLC. We believe that such repayment/pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of our accruals for further investment in our business growth and expansion.

The following table provides details of outstanding term loan and working capital facilities availed by our Company and our Subsidiaries, VPCL and VLCC International LLC, which are proposed to be repaid/pre-paid, in part or in full, from the Net Proceeds to the extent of ₹ 683.43 million:

S. no.	Name of lender	Nature of Borrowing	Amount		Rate of Interest as on July 31, 2015	Purpose	Repayment schedule	Pre-payment clause (if any)
			Sanctioned (₹ million)	Outstanding as on July 31, 2015 (₹ million)				
1.	Axis Bank Limited	Term Loan	130.00	70.42	11.25% per annum	Setting up new centers	Six years, including a two year moratorium period from the date of first disbursement i.e. October 2011. Repayment in equal monthly instalments commencing after the moratorium period.	Our Company has the option to utilize surplus cash flows towards pre-payment without payment of a pre-payment premium. The bank has the option to reset the interest rate annually. Our Company has the option to repay the entire loan amount on the interest reset date without any pre-payment charges.
2.	Axis Bank Limited	Term Loan	300.00	162.50	11.25% per annum	Advertisement expenditure, brand building and general corporate expenses	Six years, including a two year moratorium period from the date of first disbursement i.e. March 2012. Repayment in equal monthly instalments commencing after the moratorium period.	Our Company has the option to utilize surplus cash flows towards pre-payment without payment of a pre-payment premium. The bank has the option to reset the interest rate annually. Our Company has the option to repay the entire loan amount on the interest reset date without any pre-payment charges.
3.	HDFC Bank Limited	Term Loan	86.00	51.76	10.95% per annum	For reimbursement of capex incurred during Fiscal Year 2013.	60 months, without a moratorium. Repayment of the principal amount in 60 equal monthly instalments of ₹ 1.43 million each commencing a month from the first drawdown i.e. August 2013.	-
4.	HDFC Bank Limited	Term Loan	150.00	138.90	10.95% per annum	Proposed capex to be	60 months with a six month moratorium period.	Pre-payment penalty of 2.00% is applicable unless

S. no.	Name of lender	Nature of Borrowing	Amount		Rate of Interest as on July 31, 2015	Purpose	Repayment schedule	Pre-payment clause (if any)
			Sanctioned (₹ million)	Outstanding as on July 31, 2015 (₹ million)				
						incurred in Fiscal Year 2015.	Repayment in 54 equal monthly instalments of ₹ 2.78 million commencing after the moratorium period.	pre-payment is made from internal accruals or funds from an initial public offer or private equity investment.
5.	Kotak Mahindra Bank Limited	Term Loan	50.00	34.68	11.50% per annum	For reimbursement of capital expenditure incurred at existing centres between April 2011 and March 2013.	Up to a maximum of five years. Repayment of the principal amount in 60 equal instalments commencing the month following the month of the first disbursement i.e. December 2013 for the first tranche and March 2014 for the second tranche.	Subject to the policy of the bank prevailing at the time pre-payment is sought.
6.	Kotak Mahindra Bank Limited	Term Loan	100.00	4.17	11.50% per annum	Capital expenditure for construction/ renovation of new centres from the period commencing April 1, 2010 until March 31, 2011, with the purpose of the sub-limit being cash flow mismatch.	60 months including a moratorium period of 12 months from the date of first drawdown.	Our Company has the option of pre-paying the entire outstanding (but not any part thereof) on the annual anniversary dates of disbursement of the respective term loans provided a 30 day notice is given to the bank.
7.	Kotak Mahindra Bank Limited	Cash credit/working capital facility	25.00	25.00	11.00% per annum	Cash flow mismatch	A maximum of 60 days.	Subject to the policy of the bank prevailing at the time pre-payment is sought.
<i>Working capital facilities availed by our Subsidiary, VPCL</i>								
1.	Yes	Cash	100.00	4.37	10.75%	Meet	Each advance shall	

S. no.	Name of lender	Nature of Borrowing	Amount		Rate of Interest as on July 31, 2015	Purpose	Repayment schedule	Pre-payment clause (if any)
			Sanctioned (₹ million)	Outstanding as on July 31, 2015 (₹ million)				
	Bank Limited	credit/ working capital demand loan			per annum	working capital requirements	be repaid in full on the last business day of the term for which such advance was drawn down.	
2.	HDFC Bank Limited	Cash credit /working capital demand loan	100.00	46.93	10.50% per annum	Meet working capital requirements	Cash credit on demand; for working capital demand loan the tenor is a maximum of 180 days	-
3.	State Bank of India	Cash credit/ working capital demand loan	200.00	64.20	10.05% per annum	Meet working capital requirements	Repayable on demand	-

Pursuant to a certificate dated September 16, 2015, A S R & Co. Chartered Accountants, have certified that the above facilities have been utilized for the purposes for which they were sanctioned.

In addition to the above facilities, we also propose to invest ₹ 84.89 million in our Subsidiary, VLCC International Inc. who will invest in VLCC International LLC, for repayment/prepayment of two facilities availed of by VLCC International LLC: (i) an overdraft facility sanctioned for up to AED four million by Mashreq Bank PSC, Dubai out of which AED 3.97 million (₹ 69.06 million) is outstanding as of July 31, 2015; and (ii) a medium term loan sanctioned for up to AED two million by Mashreq Bank PSC, Dubai out of which AED 0.91 million (₹ 15.83 million) is outstanding as of July 31, 2015. While the overdraft facility is payable on demand, the medium term loan facility is payable in 36 months (with interest at the base rate plus 1.50% subject to a minimum rate of 7.00% per annum), to be started after one month from the last drawdown. Pursuant to a certificate dated September 16, 2015, A S R & Co. Chartered Accountants, have certified that these facilities have been utilized for the purposes for which they were sanctioned.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding loan amounts under the loan facilities identified above may vary from time to time. In addition, we may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from existing facility. In such cases, we may utilize the Net Proceeds towards repayment/ pre-payment of such additional indebtedness which will be selected based on various commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings, receipt of consents for pre-payment from the respective lenders and applicable law governing such borrowings. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ pre-payment of loans, in part or full, would not exceed ₹ 683.43 million.

We may be required to notify some of our lenders prior to the repayment, which we shall do prior to such repayment/ pre-payment. Some of our loan agreements and other financing arrangements provide for requirement of prior consent or notice to lender and/or for the levy of prepayment penalties or premiums, which may be dependent on the repayment / pre-payment being made on dates other than those specified in the relevant documents, to be calculated based on the amount outstanding / being pre-repaid, as applicable. See the section titled “Risk Factors” on page 16. We will take such provisions also into consideration while deciding repayment and / or pre-payment of loans from the Net Proceeds. Payment of such pre-payment penalty or premium, if any, shall be made by our Company out of our internal accruals.

To the extent that Net Proceeds are utilized to repay/ pre-pay outstanding loan facilities availed by VPCL or VLCC International LLC, we shall be investing Net Proceeds in VPCL and VLCC International LLC (through VLCC International Inc., the intermediate holding company for all our other subsidiaries incorporated overseas), as the case may be, in the form of debt or equity, which will be determined by our Company at the time of making such investment and has not been finalized as on the date of this Draft Red Herring Prospectus. Our Subsidiaries do not have any stated dividend policy and our Company cannot be assured of any dividends from it. Our Company will remain interested in our Subsidiaries, and will derive benefits from it, to the extent of our direct or indirect shareholding in it, or as a lender if funds are deployed in the form of debt.

3. *Investment in Subsidiary to set up manufacturing facility*

We intend to strengthen our position across identified product categories and further expand our products business in order to cater to newer markets and increase the geographical reach of our Personal Care Products. As part of our growth strategy, we plan to expand our manufacturing capabilities in a manner that provides us with sustained growth and propose to utilise ₹ 281.35 million from the Net Proceeds to set up a new manufacturing facility. In India, we currently operate a manufacturing facility located at Haridwar, which is entitled to excise and income tax benefits. However, we expect income tax exemption to expire at the end of Fiscal Year 2019 and excise exemption to expire by August 2019 and hence, wish to strategically start a new manufacturing facility in such areas where we can continue to avail tax benefits.

The new manufacturing facility proposed to be set up in India will be owned and operated by our Subsidiary, VPCL, and shall manufacture our existing as well as new range of skin care, hair care and body care products. This facility is proposed to be spread over two floors, covering an aggregate area of over 100,000 square feet and is currently proposed to be set up in the state of Assam. For setting up the proposed facility, Assam Industrial Development Corporation Limited, pursuant to its letter dated August 18, 2015, has allotted a land parcel of 22,000 square meter to VPCL on a twenty years' lease basis (with effect from October 14, 2014). Based on management estimates, this new facility is expected to have an installed capacity of approximately 86.41 million units per annum.

We believe that this new manufacturing facility proposed will help us avail of the taxation related benefits for longer duration (given that the tax benefits on the existing facility will expire) as well as help us to strategically position ourselves to serve the markets of Eastern India and South East Asia.

The following table depicts the break-down of the estimated expenses related to setting up the new manufacturing facility:

S. No.	Item	Particulars	Estimated cost (₹ million)
1.	Building and civil works*	Excavation, earth filing, sand filing, RCC and steel works	103.16
		Brick works and plastering	25.61
		Boundary wall	6.52
		Miscellaneous	20.29
2.	Plant and machinery**	Ointment plant of various capacities (1000 kgs, 500 kgs, 300 kgs and 100kgs)	9.03
		Planetary mixer (for oil manufacturing), Tilter, Mass mixer (for powder) and cone blender (for powder)	1.21
3.	Utility equipment	Main panels ⁽¹⁾	3.62
		DG sets- three phase (250 kva and 500 kva) ⁽²⁾	3.88
		Compressors ⁽³⁾	2.20
		Boiler and RO plants ⁽⁴⁾	2.04
		Fire systems ⁽⁵⁾	3.90
		Miscellaneous [#]	2.68
4.	HVAC system	Including water chilling unit and AHUs of different capacities ⁽⁶⁾	10.71
5.	Lab equipment	Gas chromatograph ⁽⁷⁾	2.77
		BOD incubator, Laminar flow, Oven, Vacuum oven and Autoclave ⁽⁸⁾	1.51
		UV spectrometer, Viscometer, Tintometer and Box	1.92

S. No.	Item	Particulars	Estimated cost (₹ million)
		compression strength tester ⁽⁹⁾	
		Miscellaneous [#]	1.05
6.	Filing, packing and material handling equipment	Cartooning, sleeving and collating machine ⁽¹⁰⁾	14.40
		SS storage tanks of different capacities ⁽¹¹⁾	8.28
		FFS machine of different tracks ⁽¹²⁾	8.95
		Jar, bottle, powder filling and activation machines ⁽¹³⁾	4.40
		Tube filing machine ⁽¹⁴⁾	1.88
		Videojet printers ⁽¹⁵⁾	1.44
		Labelling machines ⁽¹⁶⁾	2.59
		Racking system ⁽¹⁷⁾	2.27
		Goods lift ⁽¹⁸⁾	1.66
		Miscellaneous [#]	2.41
7.	Office works ⁽¹⁹⁾	Electrical works and HVAC	24.02
8.	Furniture And fixtures for office ⁽¹⁹⁾	Including paint, tables, storage and hardware	6.98
Total			281.35

* Based on the quotation letter dated September 16, 2015 from Hitech Constructions.

** Based on the quotation letters dated September 3, 2015 from Dharma Engineering.

⁽¹⁾ Based on the quotation letters dated September 12, 2015 from Aman electricals.

⁽²⁾ Based on the quotation letters dated September 1, 2015 from Kirlosker.

⁽³⁾ Based on the quotation letters dated September 1, 2015 from Elgi.

⁽⁴⁾ Based on the quotation letters dated September 5, 2015 and September 9, 2015 from Trivium Power.

⁽⁵⁾ Based on the quotation letter dated September 12, 2015 from Amit Fire Fights.

⁽⁶⁾ Based on the quotation letter dated September 9, 2015 from Vigasa Industries.

⁽⁷⁾ Based on the quotation letter dated September 9, 2015 from Effem.

⁽⁸⁾ Based on the quotation letters dated September 9, 2015 from Thermolab.

⁽⁹⁾ Based on the quotation letters dated September 9, 2015 and September 10, 2015 from Effem.

⁽¹⁰⁾ Based on the quotation letter dated September 9, 2015 from Intertech.

⁽¹¹⁾ Based on the quotation letters dated September 3, 2015 from Dharma Engineering.

⁽¹²⁾ Based on the quotation letter dated September 1, 2015 from Akash Pack.

⁽¹³⁾ Based on the quotation letter dated September 1, 2015 from HAV Engineers and Services.

⁽¹⁴⁾ Based on the quotation letter dated September 3, 2015 from Pacmack.

⁽¹⁵⁾ Based on the quotation letters dated August 9, 2015 from Videojet.

⁽¹⁶⁾ Based on the quotation letter dated September 1, 2015 from Maharishi and letter dated August 30, 2015 from Interlabel.

⁽¹⁷⁾ Based on the quotation letter dated September 14, 2015 from Hite Engineers.

⁽¹⁸⁾ Based on the quotation letter dated September 14, 2015 from Shiv Electricals.

⁽¹⁹⁾ Based on the quotation letter dated September 10, 2015 from Creative Wizards Infratech.

[#] The estimates are based on quotations and estimates received from various vendors, each of which are dated not earlier than two months prior to the date of this Draft Red Herring Prospectus.

As per the certificate of A S R & Co., chartered accountants, dated September 16, 2015 as of date, our Company has not deployed any funds towards the aforementioned object (other than payment for acquisition of land, which is not part of Net Proceeds).

Schedule of implementation

This project has not been appraised by any external agency. The schedule of implementation is as stated below:

Activity	Estimated date of completion
Building and civil works	October 2016
Installation of plant and machinery	December 2016
Installation of miscellaneous equipment	January 2017
Trial runs	February 2017
Commencement of production	March 2017

We intend to invest ₹ 281.35 million in VPCL, our Subsidiary, which will utilize such proceeds towards setting up the manufacturing facility. We may invest in VPCL either in the form of debt or equity, which will be determined by our Company at the time of making such investment and has not been finalized as on the date of this Draft Red Herring Prospectus. VPCL does not have any stated dividend policy and our Company cannot be assured of any

dividends from it. Our Company will remain interested in VPCL, and will derive benefits from it, to the extent of our direct or indirect shareholding in it, or as a lender if funds are deployed in the form of debt.

4. Investment in Subsidiary for brand development

We believe our ‘VLCC’ brand is a leading national brand that is synonymous with beauty and wellness among Indian consumers, having gained significant brand recognition among beauty and wellness-conscious consumers. Our services business, products business as well as vocational training business are all conducted under aegis of the brand ‘VLCC’ and the trust reposed in the brand is reflected in VLCC’s recognition as “India’s most trusted wellness brand”, per the annual “India’s Most Trusted Brands” survey (2015). We believe that our brand ‘VLCC’ is well-recognized for our wellness service offerings, through the consistency of our sustained investment over the years in ‘call-for-action’ marketing activities for wellness services, primarily in the form of regular advertisements in the local editions of newspapers. With our products business gaining steady traction and our distribution network now spanning across India as well as the GCC Region, we intend increasing our marketing and advertising spends substantially to not only further reinforce the VLCC brand across India and the GCC Region but also to create higher visibility for our personal care product portfolio. Accordingly, we intend to invest significant resources for advertising in the existing locations where we currently operate as well as for targeted advertising to specific demographics and in geographical markets that we plan to penetrate, in accordance with our business strategy.

Typically, we conduct marketing activities through various media, including print, television, radio and digital as well as promotional events and sponsorships. Our total advertising expenses, which we refer to as “advertisement” in our consolidated restated financial information, were ₹ 557.25 million, ₹ 715.61 million and ₹ 922.29 million during Fiscal Years 2013, 2014 and 2015, respectively and constituted 9.86%, 10.52% and 11.71% of our total expenses for such periods, respectively, on a consolidated basis.

In addition to our engagement on any other form of media towards our advertising and brand building activities which shall be funded by internal accruals, we propose to invest ₹ 500.00 million out of the Net Proceeds over Fiscal Years 2017 and 2018 out of the Net Proceeds in our Subsidiary, VPCL, towards placing advertisements on television channels, radio, print media or online media as below:

We intend to undertake advertising on television channels through campaigns prepared by our marketing team in liaison with advertising agencies from time to time, for segments on television programmes. For deploying such advertisements, we would be required to purchase advertising space from media agencies on different forms of media. Deployment of advertising campaigns in a particular media/segment or any particular channel, programme or print media would be contingent on various factors, such as the nature of the advertising campaign, ratings of newspaper/magazine, programmes or segments, expected viewership of our advertisements during certain time-slots, geography and segments, and our Company’s business and marketing plans.

We have entered into a media service agreement dated September 17, 2015 with Havas Media India Private Limited (“**Media Service Agreement**”), an independent advertising agency, pursuant to which the agency has been engaged, on a non-exclusive basis, to provide media planning, buying and other allied services. In terms of the Media Service Agreement, we have undertaken to deploy at least an aggregate of ₹ 500.00 million during Fiscal Year 2017 and Fiscal Year 2018 towards purchase of advertising space on television channels, radio, print and online media, in accordance with the indicative media plan set out in the Media Services Agreement and estimated costs associated with such advertising and brand promotion activities.

As stated earlier, our deployment of advertising campaigns is contingent on various factors. Accordingly, we may choose to purchase more advertising space for certain desirable medium, specific channels or newspaper/magazine or segments and less advertising time in other medium, channels or segments, in variance to that mentioned in the Media Services Agreement, subject to the overall deployment of ₹ 500.00 million from the Net Proceeds for this purpose.

To the extent that Net Proceeds are utilized for advertising and business promotion activities by VPCL, we shall be deploying Net Proceeds in VPCL in the form of debt or equity, which will be determined by our Company at the time of making such investment and has not been finalized as on the date of this Draft Red Herring Prospectus. VPCL does not have any stated dividend policy and our Company cannot be assured of any dividends from it. Our

Company will remain interested in VPCL, and will derive benefits from it, to the extent of our direct or indirect shareholding in it, or as a lender if funds are deployed in the form of debt.

5. *Investment in information technology infrastructure*

We are seeking to upgrade and strengthen our information technology infrastructure and capabilities in preparation for the scale up of our operations (see “*Our Business – Our Strategies*” on page 156). We believe that leveraging data and analytics is a core aspect of our operational strategy. To enable this process to become more responsive, for effectively and more quickly integrating consumer information across our operations, we need to further refine and standardize processes across verticals as well as further enhance our ability to more quickly and in more granular detail analyze, understand and serve consumers. In order to achieve this, we seek to upgrade our IT strength we through the following initiatives:

(i) Investment in IT software and services

- Implementation of a multi module Enterprise Resource Planning system (“**ERP**”) across our network and its integration with other systems; and
- Other initiatives like personalized and engaging portal for the Company’s prospects and customers, customer facing mobile applications to deliver an optimized mobile experience, for marketing, messaging and personalized information.

(ii) Investment in IT hardware

- Purchase of laptops, tablets and servers as well as storage and networking devices.

We propose to utilise ₹ 168.20 million from the Net Proceeds in Fiscal Year 2017 and Fiscal Year 2018 to finance upgradation of IT infrastructure for integrated administrative and infrastructural advancement at our wellness centers, vocational institutes, personal care production and distribution units as well as at our other business premises, as follows:

Investment in IT software and services

We currently use ERP software Microsoft Navision for our Personal Care Products business and VLCC Institutes in India and also use customer management systems (“**CMS**”), which software provides reports required for analysis, customer relationship management and financial reports. We provide our own CMS software to franchised wellness centers as well, which captures all information of the consumers and the execution of services provided to them. In order to ensure better uptime and information security of our customer resources management system and integrate various customer communication channels, we intend to invest a portion of the Net Proceeds towards creating a centralized customer master data across centers, offices and other facilities for improved segmentation and targeted campaigns, centralized lead management for view of sales pipeline.

We intend to implement the integrated ERP for all verticals of our business covering different geographies. The ERP will enable us to have single, more robust and faster software solution in the fields of finance and accounts, materials management, sales and distribution and human resources across all our centres, offices and other facilities and thus enable us to comprehensively manage our business metrics across all our centres, offices and other facilities and automate data flow between the centres and other facilities. In addition, we intend to set up and implement a customer relations management (CRM) software and mobile solutions which will be integrated with our ERP system.

We have received budgetary proposal for implementation of the IT software and services, which is valid as of the date of this Draft Red Herring Prospectus. Based on the budgetary proposal received by us, our Company intends to utilise ₹ 146.50 million from the Net Proceeds for the implementation of the ERP, CRM, hosting and infrastructure in Fiscal Years 2017 and 2018.

Investment in IT hardware

In order to support the scaling of our operations as well as the aforementioned new systems being implemented, our Company intends to purchase IT hardware including tablets, laptops, servers, and storage and networking devices.

For the purposes of purchasing such IT hardware, we have received a budgetary proposal which is valid as on the date of the Draft Red Herring Prospectus. The quantity of such IT hardware to be purchased is based on the estimates of our management. Our Company has not deployed any amount towards the purchase of such IT hardware. Based on the budgetary proposal received by us, our Company intends to utilise ₹ 21.70 million from the Net Proceeds for the purchase of such IT hardware in Fiscal Year 2017.

We may also invest a portion of the Net Proceeds raised for this object in our Subsidiaries, VPCL and VLCC International Inc., for investment in premises operated by them. We will invest in such Subsidiaries either in the form of debt or equity, which will be determined by our Company at the time of making such investment and has not been finalized as on the date of this Draft Red Herring Prospectus. Our Subsidiaries do not have any stated dividend policy and our Company cannot be assured of any dividends from them. Our Company will remain interested in our Subsidiaries, and will derive benefits from them, to the extent of our direct or indirect shareholding in it, or as a lender if funds are deployed in the form of debt.

Our Promoters or Directors have no interest in the proposed procurements, as stated above.

6. General Corporate Purposes

We intend to deploy the balance Net Proceeds, if any, for general corporate purposes, as may be approved by our management, including but not restricted to strategic initiatives and acquisitions, refurbishment or up gradation of our centers, investment in R&D activities, funding working capital requirements, strengthening our network capabilities, operating expenses and meeting on-going general corporate exigencies.

Our management, in accordance with the policies of our Board, will have flexibility in utilising the Net Proceeds for general corporate purposes, as mentioned above, subject to such utilization not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI Regulations. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses include fees payable to the BRLMs and legal counsel, underwriting commission, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Escrow Banks' and Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer related expenses shall be shared by our Company and the Selling Shareholders in proportion to the number of Equity Shares being issued or offered, as the case may be, by each of them in the Fresh Issue and the Offer for Sale, in accordance with applicable law. Any payments by our Company in relation to the Offer on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale by each of the Selling Shareholders in the Offer.

The estimated Offer expenses are as under:

(₹ million)				
S. No.	Activity Expense	Estimated amount* (₹ million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
1.	Fees of the BRLMs, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications) and Commission payable to Registered Brokers**	[●]	[●]	[●]
2.	Processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[●]	[●]	[●]

S. No.	Activity Expense	Estimated amount* (₹ million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
3.	Fees to the Escrow Collection Banks/ Bankers to the Offer and Refund Banks.	[●]	[●]	[●]
4.	Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
5.	Fees to the Registrar to the Offer	[●]	[●]	[●]
6.	Listing fees and other regulatory expenses	[●]	[●]	[●]
7.	Other expenses (legal advisors, auditor and other advisors etc.)	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* To be incorporated in the Prospectus after finalisation of the Offer Price

** Disclosure of commission and processing fees will be incorporated at the time of filing the Red Herring Prospectus. SCSBs would be entitled to a processing fee of ₹ [●] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate and submitted to SCSBs.

Appraisal and Bridge Loans

The above fund requirements have not been appraised by any bank or financial institution. Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Means of Finance

The entire requirements of each the objects detailed above are intended to be funded completely from the Net Proceeds. Accordingly, we confirm that there is no need for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the Net Proceeds.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934.

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹ 5,000 million. Our Audit Committee shall monitor the utilization of the proceeds of the Offer. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of the unutilized proceeds of the Offer in our balance sheet for the relevant financial years.

Pursuant to Clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the use and application of the Net Proceeds. Additionally, the Audit Committee shall make recommendations to our Board for further action, if appropriate. Till such time as all the Offer Proceeds have been utilized in full, our Company shall prepare an annual statement, certified by our Statutory Auditors, of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee.

Further, in terms of Clause 43A of the Equity Listing Agreement, our Company will furnish a quarterly statement to the Stock Exchange indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. This information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under Clause 41 of the Equity Listing Agreement and would be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49 of the Equity Listing Agreement.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Entities, except in the ordinary course of business. However, Leon International Limited, which is a member of our Promoter Group, will receive a portion of the proceeds of the Offer for Sale, net of its respective share of Offer Expenses, as a Selling Shareholder, pursuant to sale of the Equity Shares being offered by it through the Offer for Sale.

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects, unless authorised by our shareholders in a general meeting by way of a special resolution. Additionally, the notice in respect of such resolution issued to the shareholders shall contain details as prescribed under the Companies Act, 2013 and such details of the notice, clearly indicating the justification for such variation, shall also be published in one English and one vernacular newspaper in the city where the registered office of our Company is situated, as per the Companies Act, 2013 and the rules framed there under. Pursuant to the Companies Act, 2013, our Promoter 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, in accordance with the AoA, and as may otherwise be prescribed by SEBI.

We further confirm that the Net Proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

No second-hand equipment is proposed to be purchased out of the Net Proceeds.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.

Qualitative Factors

We believe we have the following principal competitive strengths:

1. *Stature as a category leading, well known and trusted brand*
2. *Capability to leverage scale, scope and breadth of our operations*
3. *Bespoke integrated business model*
4. *Capability to identify and innovate a differentiated product portfolio*
5. *Attractive financial structure*
6. *Experienced promoters and strong management capability*

For further details regarding the qualitative factors see the sections “Our Business” and “Risk Factors” on pages 148 and 16, respectively.

Quantitative Factors

Information presented in this section is derived from our consolidated restated and standalone financial information prepared in accordance with the Companies Act and the SEBI Regulations.

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

1. Basic and Diluted Earnings per Share (“EPS”):

As per standalone restated financial information:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2015	0.94	0.94	3
March 31, 2014	1.27	1.27	2
March 31, 2013	2.01	2.01	1
Weighted Average	1.23	1.23	

As per consolidated restated financial information:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2015	5.52	5.52	3
March 31, 2014	7.76	7.76	2
March 31, 2013	9.56	9.56	1
Weighted Average	6.94	6.94	

Notes:

1. *Basic Earnings per share (₹) = (Restated profit after tax available to equity shareholders/ Weighted average number of Equity Shares outstanding during the period / year)*
2. *Diluted Earnings per share (₹) = (Restated profit after tax/ Weighted average number of dilutive equity shares)*
3. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specified shares are outstanding as a proportion of total number of days during the year. Weighted average number of Equity Shares, considered for the computation of diluted earnings per share, are adjusted for the dilutive portion of outstanding employee stock options.*
4. *Earnings per share have been computed in accordance with Accounting Standard-20 "Earnings per share" issued by the Institute*

of Chartered Accountants of India.

5. The face value of each Equity Share is ₹ 10.

2. Price Earning Ratio (“P/E”) in relation to the Offer Price of ₹ [●] per Equity Share:

Particulars	Standalone	Consolidated
P/E ratio based on Basic EPS for financial year 2015 at the Floor Price:	[●]	[●]
P/E ratio based on Diluted EPS for financial year 2015 at the Floor Price:	[●]	[●]
P/E ratio based on Basic EPS for financial year 2015 at the Cap Price:	[●]	[●]
P/E ratio based on Diluted EPS for financial year 2015 at the Cap Price:	[●]	[●]

3. Return on Net Worth (“RoNW”):

As per restated standalone financial information:

Year ended	RONW (%)	Weight
March 31, 2015	2.81	3
March 31, 2014	3.80	2
March 31, 2013	6.23	1
Weighted Average	3.71	

As per consolidated restated financial information:

Year ended	RONW (%)	Weight
March 31, 2015	8.14	3
March 31, 2014	12.49	2
March 31, 2013	18.36	1
Weighted Average	11.29	

RoNW (%)=	Profit after tax as restated
	Net Worth excluding revaluation reserve at the end of the year

Net Worth means the aggregate value of the paid up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

4. Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS for the financial year 2015:

Particulars	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

5. Net Asset Value per Equity Share:

As per restated standalone and consolidated financial information:

Net Asset Value per Equity Share	Standalone (₹)	Consolidated (₹)
As on March 31, 2015	32.97	67.82
After the Offer	[●]	[●]

Notes: Net asset value per Equity Share represents Restated net worth excluding revaluation reserve and preference share capital at the end of the year

6. Comparison with industry peers:

We believe that there are no listed companies in India that engages in a business similar to that of our Company.

The Offer Price of ₹ [●] per Equity Share has been determined by our Company and Selling Shareholders in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares determined through the Book Building process and is justified based on the above qualitative factors and accounting ratios. For further details, see the sections “*Risk Factors*” and “*Financial Information*” on pages 16 and F-1 to F-88, respectively. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in the section “*Risk Factors*” and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

The Board of Directors
VLCC Health Care Limited
64, HSIDC,
Sector 18, Maruti Industrial Area,
Gurgaon – 122 015

Dear Sirs,

Re: Certificate of Statement of possible special tax benefits available to VLCC Health Care Limited (“The Company”) and its shareholders

We refer to the proposed public issue of the shares of the Company and enclose a Note (Refer annexure) showing the possible special tax benefits available to the Company and its shareholders for the year ended March 31, 2015 as per the provisions of the Income Tax Act, 1961 (“IT Act”) (incorporating amendments introduced by Finance Act, 2015 for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (“**Offer Documents**”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The possible special direct tax benefits discussed in the enclosed annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the public issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

The benefits outlined in the enclosed statement are based on the information and particulars provided by the Company and on the basis of our understanding of the business activities and operations of the Company.

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

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

Limitations

Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the limited use of VLCC Health Care Limited in connection with its public issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities & Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offering).

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Place: Gurgaon
Date: September 21, 2015

Deepak Roy
Partner
(Membership No. 053091)

**NOTE ON POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO VLCC HEALTHCARE LIMITED
AND TO ITS SHAREHOLDERS**

UNDER THE INCOME TAX ACT, 1961 (the IT Act)

VLCC Health Care Limited (“the Company”) is an Indian Company, subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purposes of the business, including depreciation.

Considering the activities and the business of the Company, the following special tax benefits may be available to them.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

VLCC Personal Care Limited, which is a wholly owned subsidiary of the Company, is engaged in the business of manufacturing and sale of skin-care, hair-care and body-care products and is eligible to claim deduction under section 80-IC of the IT Act.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

UNDER THE CENTRAL EXCISE ACT, 1944 (the Excise Act)

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

VLCC Personal Care Limited, which is a wholly owned subsidiary of the Company has a manufacturing unit located at Plot No 11-12, Sector 6A, IIE BHEL, SIDCUL, Haridwar (Uttarakhand). Basis review of the letter received from the jurisdictional central excise authorities, the Company is eligible to claim exemption vide Notification no. 50/2003-CE dated June 10, 2003, subject to fulfillment of prescribed conditions.

As per the notification, the exemption is available from the whole of duty of excise leviable under the Excise Act or the additional duty of excise leviable under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 on all goods cleared from the eligible unit.

The exemption would be available to the Haridwar unit for a period not exceeding ten years from the date of commencement of commercial production i.e. August 25, 2009.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

Notes:

- a. *The above statement of Possible Special Direct and Indirect Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

- b. The above statement of Possible Special Direct and Indirect Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*
- c. We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s).*
- d. Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*
- e. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
- f. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall further be subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*
- g. The statement of possible special tax benefits enumerated above is as per the Income Tax Act, 1961 and Central Excise Act, 1944 as amended by the Finance Act, 2015.*

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is derived from the report titled “Market Assessment for the Beauty and Wellness in India and GCC Market” dated September 15, 2015 by Frost & Sullivan (“**F&S Report**”), a report prepared by the KPMG Advisory Services Pvt Ltd. for the National Skill Development Corporation titled “Human Resources and Skill Requirements in the Beauty and Wellness Sector” (“**KPMG NSDC Report**”) as well as other reports of various governmental agencies, market research reports and other publicly available sources. The F&S Report relies on a number of third party sources which include the information available on the websites of, in the reports of and/or from the databases of, including but not limited to, United States Intelligence Agency, World Factbook (“**CIA Factbook**”); the Central Statistical Organization, Government of India (“**CSO**”); the International Monetary Fund (“**IMF**”); the World Bank; the United Nations; the Census of India by the Registrar General & Census Commissioner, India; and the Reserve Bank of India (“**RBI**”) Neither we nor any other person connected with the Offering has verified this information. In addition, the data may have been re-classified by us for the purposes of presentation. Industry reports and publications generally state that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.

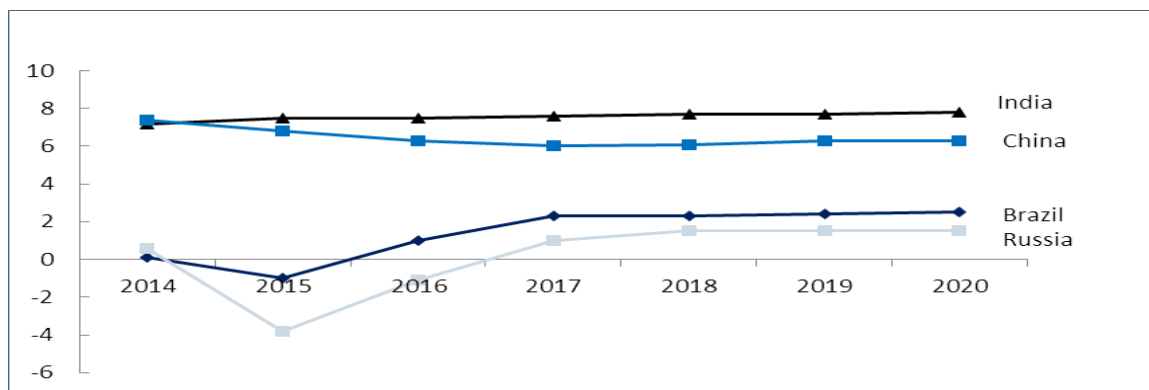
We commissioned the F&S Report for the purposes of confirming our understanding of the industry. Prospective investors are advised not to unduly rely on the F&S Reports when making their investment decision. The F&S Report contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to Frost & Sullivan should not be considered Frost Sullivan’s opinion as to the value of any security or the advisability of investing in us.

OVERVIEW OF THE INDIAN ECONOMY

India has consistently high forecasted growth and has the highest forecasted growth among BRIC countries

The International Monetary Fund (the “**IMF**”) forecasts that India will grow faster among Brazil, Russia, India and China (“**BRIC countries**”) through 2020. Strong domestic consumption, a robust services sector, strong participation by the private sector, a pro-reform Government, development in infrastructure and a young population are key growth drivers of India.

The table below illustrates the forecast GDP growth of BRIC countries for the years indicated (GDP Growth in %).
(Source: IMF, 2015)



India is poised to become a top five economy by 2020

As per the IMF predictions, the Indian economy is poised to become one of the top five economies by 2020, following its robust GDP growth as compared to the other economies. The IMF estimates that Indian GDP will be ₹ 144 trillion in 2015 and will increase to more than ₹ 227 trillion by 2020, which will approximately equal the United Kingdom's GDP. Inflation levels are expected to stabilize at between 6% and 8%. The following table sets forth the GDP of certain countries for the years indicated.

Exhibit 1.1.2.: GDPs of selected countries [E] (INR billion and US \$ billion)

Country	2015	2016	2017	2018	2019	2020
Brazil	1,19,000 (1,904)	1,20,500 (1,928)	1,26,875 (2,030)	1,33,250 (2,132)	1,40,062 (2,241)	1,47,125 (2,354)
Russia	73,500 (1,176)	86,000 (1,376)	95,000 (1,520)	1,06,125 (1,698)	1,17,500 (1,880)	1,30,062 (2,081)
India	1,44,250 (2,308)	1,56,875 (2,510)	1,72,188 (2,755)	1,88,250 (3,012)	2,06,938 (3,311)	2,27,438 (3,639)
China	7,00,688 (11,211)	7,48,000 (11,968)	8,04,000 (12,864)	8,67,250 (13,876)	9,35,500 (14,968)	10,09,813 (16,157)
UK	1,78,335 (2,853)	1,86,346 (2,982)	1,96,418 (3,143)	2,07,824 (3,325)	2,19,756 (3,516)	2,33,161 (3,731)
USA	11,32,796 (18,125)	11,84,951 (18,959)	12,41,535 (19,865)	12,98,089 (20,769)	1,350,960 (21,615)	14,05,539 (22,489)
Thailand	24,143 (386)	25,768 (412)	27,119 (434)	28,694 (458)	30,104 (482)	31,496 (504)
Malaysia	20,493 (328)	22,783 (365)	24,968 (399)	27,578 (441)	30,451 (487)	33,638 (538)
Italy	1,15,177 (1,843)	1,17,555 (1,881)	1,21,345 (1,942)	1,25,617 (2,010)	1,30,215 (2,083)	1,35,802 (2,173)
Indonesia	55,980 (896)	59,496 (952)	64,785 (1,037)	69,810 (1,117)	75,465 (1,207)	81,664 (1,307)

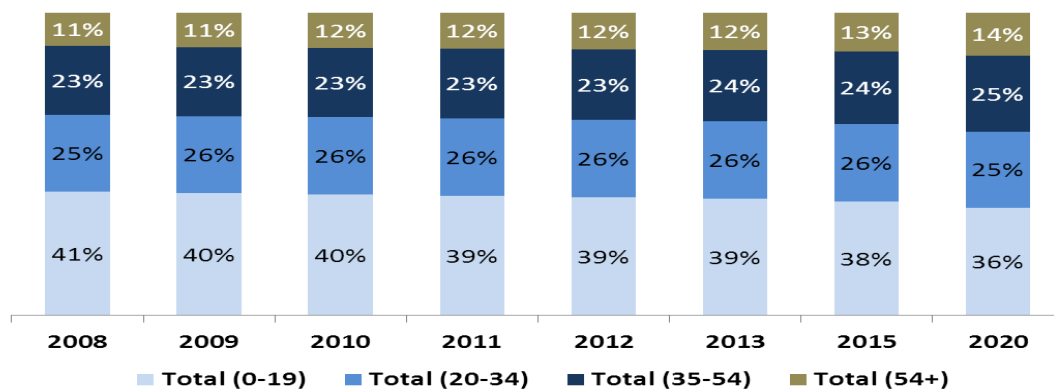
(Source: IMF estimates)

INDIA'S DEMOGRAPHIC OVERVIEW

Growing Youth Population

The Indian population is considerably young, with nearly 64% below 34 years of age in 2015, according to World Bank's estimates. Current forecast suggests a steady increase in India's youth population to 464 million by 2021 and finally a decline to 458 million by 2026. (Source: *State of the Urban Youth, India 2012: Employment, Livelihoods, Skills*)

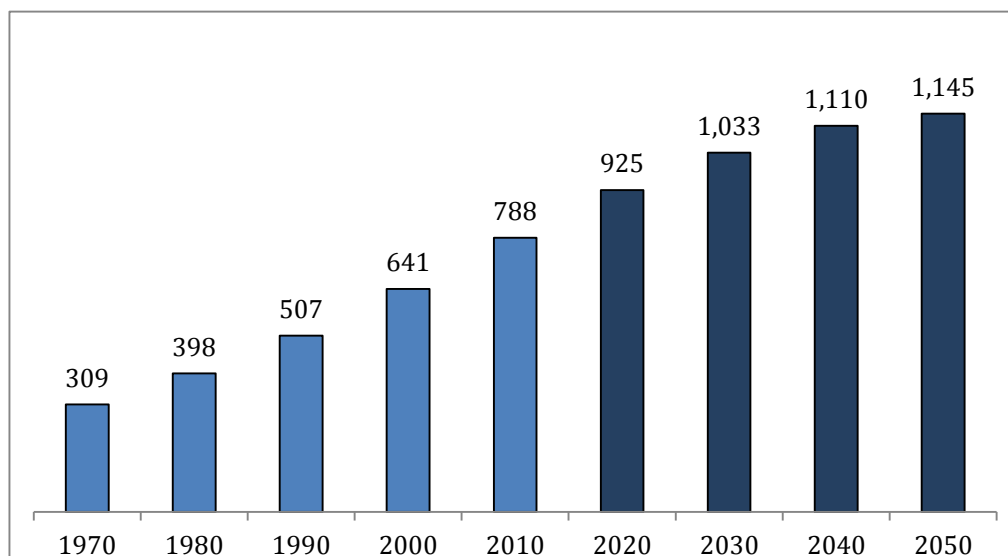
The young population, with higher disposable incomes, is expanding the beauty and wellness market as it becomes more brand conscious. The table below illustrates India's population by age for the years indicated.



(Source: World Bank, 2015)

High proportion of working population – reduced dependency ratio

The table below illustrates India's working age population (15-64 years) for the years indicated (figures in million).



Note: The dark bars represent forecast data

(Source: UN, 2015)

The working age population of India is expected to reach 1,145 million by 2050, growing at a CAGR of 10% year on year. We believe that this increase in the working age population and the resulting reduction in the dependency ratio will accelerate growth of the Indian economy with increasing incomes, improved living standards and rising demand for goods and services.

Urbanization – dual impact of higher awareness for branded products and prevalence of lifestyle diseases

The United States Central Intelligence Agency (the "CIA") estimates that the rate of urbanization in India will undergo an annual rate of change of 2.38% between 2010 and 2015. Urbanization has a dual impact of increasing consumer awareness for branded products and services as well as increasing the prevalence of stress-related disorders and lifestyle diseases, which result in increased demand for beauty and wellness services such as those provided in salons, spas, fitness centers, slimming centers and alternate therapy centers.

Rising Female Participation in the workforce

The number of women in India's workforce has increased over the last few decades, driven by a wide variety of economic and social factors including economic growth, wider access to education, higher education levels among women and evolving social norms, which together has improved women's access to quality employment. With the growing female participation in the workforce, the number of households with double income is also on the rise, promoting financial stability and increased awareness for better lifestyles. With reduced dependency, increased affordability, awareness, and access, the need for personal grooming is becoming extremely important for working women. The preference for beauty salons treatments and personal care products and wellness services is gradually on the rise.

The table below sets forth the female work participation rate in India for the years indicated.

Female work participation rate in India (1971-2011)

Year	Rural	Urban	Total
1971	13.42	6.68	12.11
1981	23.06	8.31	19.67
1991	26.79	9.19	22.27
2001	30.79	11.88	25.63
2011	30.00	15.40	25.50

(Source: Labour Force Bureau of India, 2013)

Smaller families

Three in five households in India are now nuclear, with 63% of households being nuclear in urban areas and 59% in rural areas. (Source: National Family Health Survey, Hindustan times, June 16, 2013) Smaller family sizes, coupled with the growth of double income households have increased demand for a convenient lifestyle and ready-to-use products. In addition, the use of homemade remedies for beauty care has shifted to demand for readily available beauty products and beauty care services.

MARKET GROWTH DRIVERS

Emerging middle class

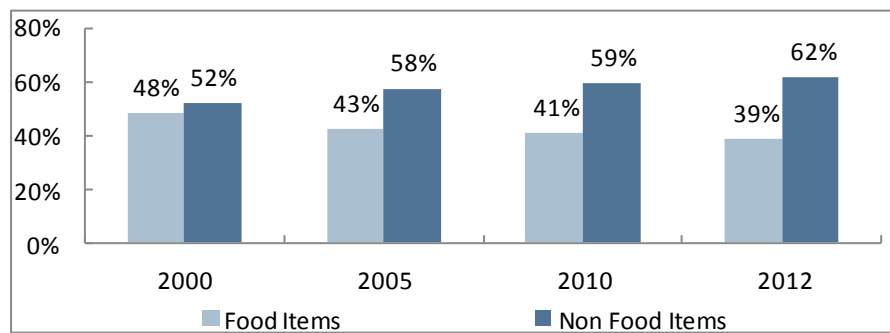
India has seen a remarkable transition in its middle class population with more than 33% likely to reach the aspirer class by 2020 compared to the 20% in 2010 and 9% in 2000.

The share of households earning less than ₹ 206,250 (US \$3,300) income is expected to decrease from 51% in 2010 to 28% in 2020.

The demand pattern of the rising middle class population clubbed with rising income levels and aspirations for a better lifestyle has opened up a window of opportunities for consumer products and services participants.

Higher incomes-fueling increased discretionary consumption

The Indian market is highly consumer-driven and is witnessing an increase in discretionary spending by households. Consumer spending on the non-food items has been on the rise in the past decade, reflecting the changes in the spending patterns. The table below illustrates trends in consumer expenditure for the years indicated.



(Source: Ministry of Statistics and Program Implementation)

As an example, household spending on personal care products was approximately 7% to 8% in 2005 and is expected to grow to 11-12% by 2025.

Increased prevalence of social media, internet and smart phone usage has increased awareness for products and services

Social media has evolved as a critical channel for market participants to increase brand awareness and reach consumers, with India evolving as one of the largest markets for social networking companies such as Facebook and LinkedIn. Social networks are being used as platforms for companies to connect directly with consumers such as providing a forum for online discussion for beauty and personal care issues, sharing experiences, educating consumers on various beauty and wellness related issues, as well as growing consumer awareness for products and services.

Increasing incidence of lifestyle diseases

Rising income levels, double-income households, the growing female participation in workforce and changing lifestyles are some of the factors that have lured people to fast food culture and shifted Indian consumers toward packaged convenience food instead of traditional cooking options.

Unhealthy food habits with sedentary lifestyles have acted as a precursor for diseases like diabetes, hypertension, and obesity. This has led to increased demand for fitness related services and products.

Diabetes

With about 65 million diabetics in 2013, India ranks second after China (98 million diabetics) in terms of diabetic population. India is expected to have 109 million diabetics by 2035. (Source: International Diabetic Federation)

Obesity

According to the World Health Organization ("WHO"), the worldwide prevalence of obesity has more than doubled between 1980 and 2014. About 39% of adults, aged 18 years and over, were overweight in 2014. Also, about 13% of the world's adult population (11% of men and 15% of women) was obese in 2014.

Changing demographics and income have an impact on and are resulting in behavior and changes in attitude

In pursuit of healthy lifestyles

Growing incomes, a faster pace of life, increased sedentary living, high work stress and consumption of unhealthy food is leading to a rise in lifestyle disorders. Consumers are looking to wellness options in pursuit of a healthy lifestyle.

Growing health consciousness and demand for preventative solutions

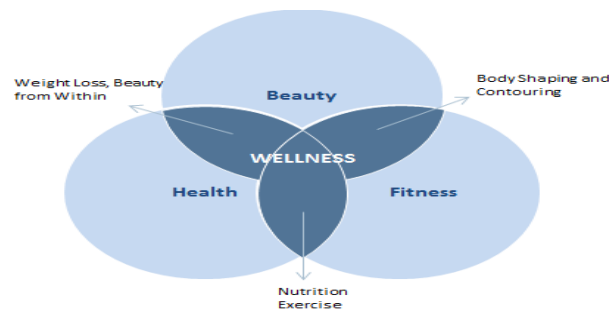
Improved health awareness and exposure to global beauty and fashion trends through increased media exposure drive growth in the wellness space. People have become more health conscious and adopted some or another form of physical activity with the aim of maintaining and promoting one's fitness. Therefore, market participants in the beauty and wellness industry have responded to this change, shifting their focus from a remedial to a preventive approach with new products and services.

Seeking time-saving solutions

Due to the competitive nature of today's day and age, consumers are willing to opt for quick fixes that are convenient – even if they need to be done more frequently.

THE INDIAN BEAUTY AND WELLNESS INDUSTRY

The following diagram sets forth the classification of the Indian beauty and wellness industry.



(Source: F&S Report)

Market size and structure

The beauty and wellness industry in India for product and services jointly stands at estimated ₹ 1,200-1,300 billion (US\$ 19-21 billion) in Fiscal Year 2015. *(Source: F&S Report)*

The beauty and wellness industry in India has been on a growth trajectory, growing at a CAGR of 18-20% in the past three to five years and according to KPMG is estimated to grow at a CAGR of 18.6% over the next few years. *(Source: KPMG NSDC Report)*

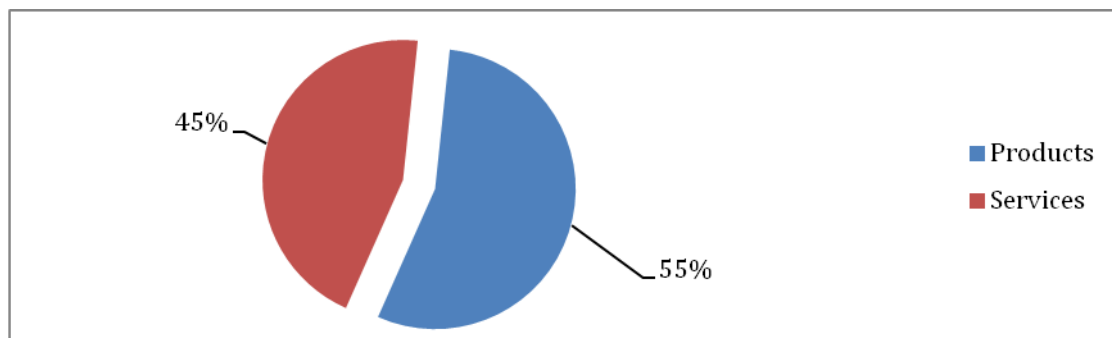
The market for products and services consists of segments as set forth in the below diagram.



(Source: F&S Report)

Divide between services and products

The products business accounts for approximately 55% of total market share and dominates the beauty and wellness industry in India, as set forth in the diagram below.

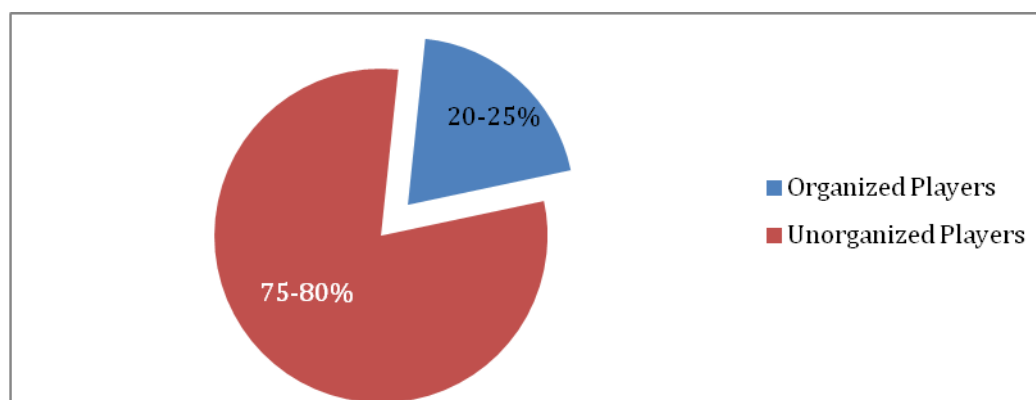


(Source: F&S Report)

Beauty and wellness service industry

Organized versus unorganized sector

The beauty and wellness service industry has historically been dominated by unorganized market players, constituting 75-80% of the total market.

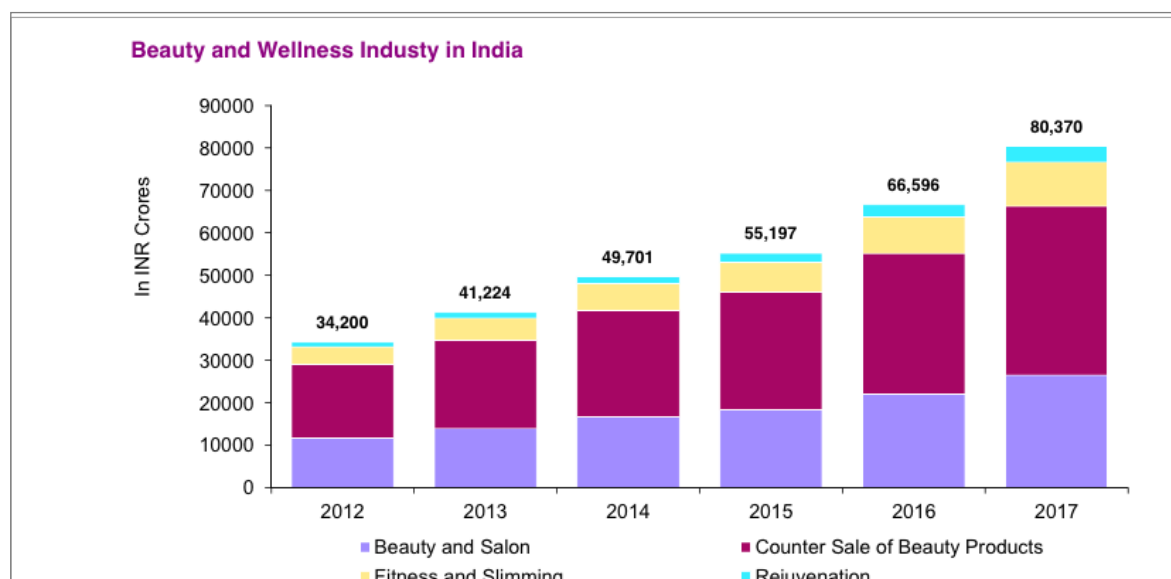


(Source: F&S Report)

In prior years, the industry was primarily unorganized due to low entry barriers, with players operating at small scale and single outlets. However, with the entry of the organized corporate players in the beauty and wellness industry operating at a larger scale with chains of outlets, the organized sector is expected to comprise a larger segment in the beauty and wellness industry with a CAGR of 25-30%.

Growth in the beauty and wellness industry

The beauty and wellness industry is on a growth trajectory and expected to grow by approximately 18% over the next few years. (Source: KPMG NSDC Report)



(Source: KPMG NSDC Report)

Key segments and characteristics in the beauty and wellness services market

The overall wellness services market is large and has grown at between 18-20% CAGR to reach an estimated market size of ₹ 565 billion (US\$ 9 billion) and is divided among beauty care and salon, slimming, and therapy. In the slimming industry, VLCC is a pioneer and leader in India with other market players that are smaller in size or comprise of regional chains. In the fitness industry, Talwalkars is the leading market participant with other established market players such as Gold's Gym and Fitness First, which constitute a significant market share.

Market size and share of organized players in the beauty and wellness services market

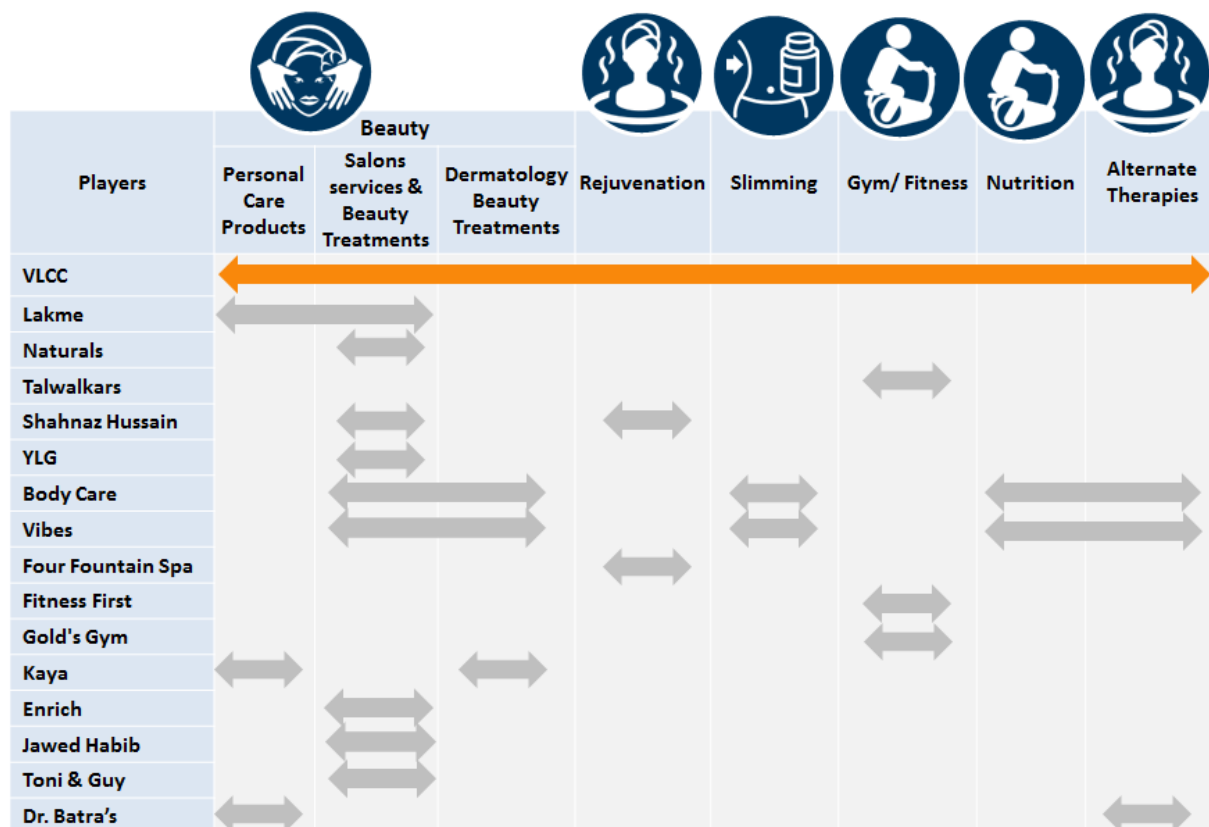
In the Indian beauty and wellness services market, VLCC is a category leader with the leading market share and number of company owned outlets. Some of the other industry participants include market players like Talwalkars, Gold's Gym, Lakme Salon and Kaya, which offer part of the services that VLCC also offers. VLCC has extended their presence on national level with 30-40% of their outlets located in the Metropolitan cities only. Among these market participants, VLCC has one of the largest corporate networks with outlets present across a majority of the states of India. A few services providers have a larger regional presence with a larger number of outlets in one particular zone or city than VLCC.

Portfolio of services - organized players

While a majority of the players in the beauty and wellness services industry in India have limited presence with services offering in one or two segments of the industry, VLCC has the most diversified portfolio and presence in all segments of beauty and wellness services industry. We believe this places VLCC at an advantage as more consumers move from the unorganized sector to the organized sector because we are well-positioned to cross-sell and up-sell to consumers as their beauty needs and regimes evolve.

VLCC has a footprint in beauty care and salon industry, slimming and fitness industry and spa services.

The following diagram sets forth some of the key organized players and their respective service portfolios.



(Source: F&S Report)

Key organized players - positioning

Among the key players in the industry, VLCC has the most diversified portfolio and presence in all segments of beauty and wellness services industry and is positioned as a full service player in the average-to-premium price point segment. Most other branded players are positioned in niche segments such as skin care, hair salons, beauty salons and fitness.

Beauty and wellness products industry

The beauty and wellness products industry in India is estimated to be approximately ₹ 700 billion (US\$ 11 billion) in Fiscal Year 2015 with skin care accounting for approximately ₹ 81 billion (US\$ 1.3 billion).

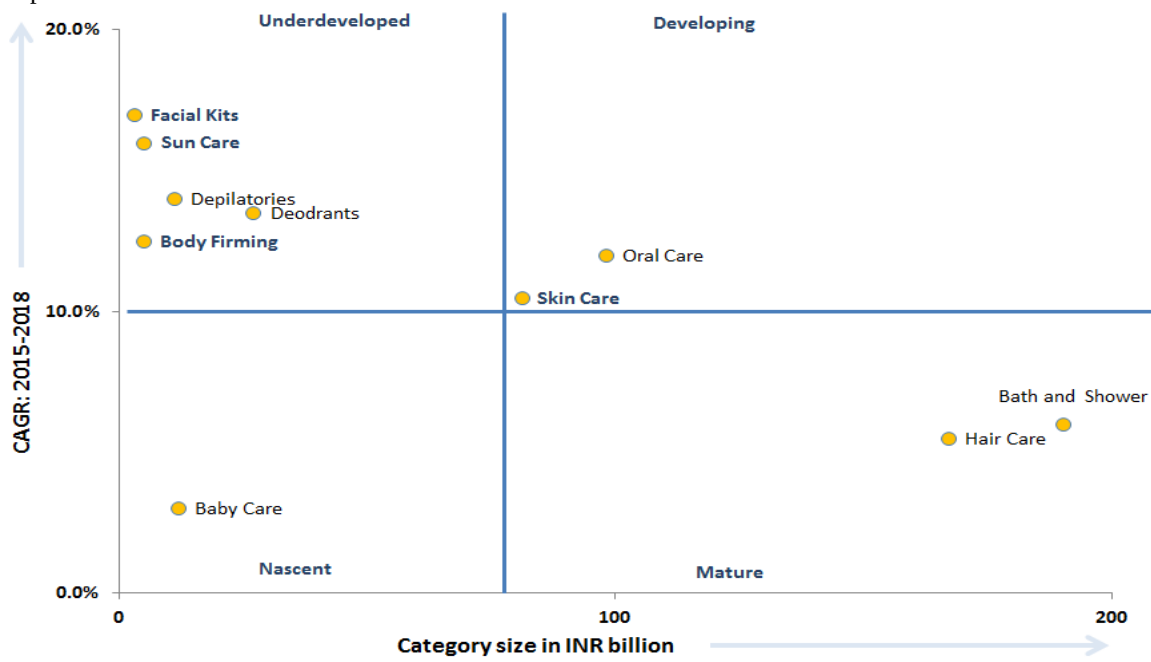
The beauty and wellness products industry is comprised of five major segments with a large number of products under each segment, as illustrated by the below diagram.

Sk Cnsg	Oral	Hair	Make Up	Sk Care
Bar Soap	Tooth Paste	Shampoo	Primer	Facial Moisturizers
Shower Liquids	Tooth Brush	Post Wash	Coverage	Facial Cleansers
Hand Wash Liq	Mouth Wash	Styling	Colorants	Body Care
Bath Additives	Floss etc.	Colorants	Highlights	Hand Care
		Salon & Professional		Lip Care

Hygiene : Daily, Routine, Maintenance

Beauty : Protect, Enhance, Correct, Reverse

In the beauty and wellness products range, the most developed product segment is hair care, skin care and oral care. Other products in the beauty and wellness industry are developing which are at a nascent stage of growth and development.



(Source: F&S Report)

Retail market- products

Skin care is the major segment of the beauty and wellness product industry with an estimated market size at ₹ 81 billion (US\$ 1.3 billion) in Fiscal Year 2015, growing at a CAGR of 15-16% from 2010-2015.

The skin care segment is marked with the presence of leading national and international players with varied product range in various segments. Hindustan Unilever is a major player in India's skin care segment with more than 55-60% share of the market in Fiscal Year 2014.

In the beauty and wellness product industry, skin care is a leading product category with underlying opportunities for expansion into a new attractive segment.

Attractive emerging segments within skin care

The relatively less developed category of skin care, sun care, body shaping and facial kits are forecasted to grow the fastest in the next five years. The market for sun care products is valued at approximately ₹ 3 billion in Fiscal Year 2015, which grew at a rate of 16-18% from 2010 to 2015. The market for body firming category has an estimated size of ₹ 1.5 billion in Fiscal Year 2015 and the market for facial kits is valued at approximately ₹ 1.0 billion in Fiscal Year 2015.

Certain market participants such as VLCC are positioning themselves as leaders in the market for body shaping and facial kits segments and are targeting fast growing, underserved market opportunities where supply and demand gaps exist and where competition is fragmented or limited.

Sun care

With an estimated market size of approximately ₹ 3 billion in Fiscal Year 2015, the sun care market has grown at a CAGR of 16-18% from 2010 to 2015.

The sun care products consist of sun protection factor active range that provides protection from harmful ultraviolet A and ultraviolet B rays from the sun. Sun care products help create a layer on the skin to protect it from burns, premature ageing, tanning and darkening. Increased focus on advertising and promotion of sun care products as a defining feature of beauty and wellness has been a key factor in accelerating the growth of sun care products in recent years.

Body firming and shaping

With highly-competitive working environment, work-life imbalance and poor dietary habits, most people have developed a sedentary lifestyle. This has led to frequent cases of obesity and related diseases such as diabetes. Therefore, with the increasing need of consumers to be healthy and have appropriate body weight, body firming and shaping products have become popular in India.

With an estimated market size of approximately ₹ 1.5 billion in Fiscal Year 2015, the body firming and shaping market has been growing at a considerably higher rate than other segments of the beauty and wellness industry from 2010 to 2015.

The body firming and shaping segment gained public attention after the introduction of VLCC's *Shape Up™* range of products which currently comprise approximately 12-15% of an estimated total market size of US\$ 22 million for Fiscal Year 2014. The body firming and shaping segment includes other key participants such as Oriflame, Amway and Avon, which carry their business primarily through direct marketing channels.

The growth of body firming and shaping market has been considerably higher than other segments of the beauty and wellness industry, growing at a CAGR of approximately 35-40% from 2010 to 2014.

Facial kits

The facial kits market is estimated to be approximately ₹ 1.0 billion in Fiscal Year 2015 and has grown at a rate of approximately 18-20% from 2010 to 2015.

The facial kits market in India is led by VLCC and offers a wide range of facial kits including *Papaya Facial Fruit Kits*, *Party Glow Facial kits*, *Gold Facial Kits*, *Pearl Facial Kits*, *Silver Facial kits*, *Diamond Facial Kits*, *Chocholate Facial Kits* and *De-Pigmentatin Facial Kits*. Through its sustained marketing initiatives, VLCC has increased its market share in the facial kits market and has emerged as a leading participant in the segment.

Wide range of product offering across segments

VLCC's products range is one of the widest among market participants with a strong presence in all three segments - sun care, body shaping and facial kits.

Other new emerging products

Anti-ageing products

With the rise in public consciousness about the signs of ageing and increasing desire to look younger and attractive, the demand of anti-ageing products has grown in urban areas in India. The anti-ageing products are purported to counteract the signs of skin ageing such as sagginess, wrinkles and pigmentation. Anti-ageing products seek to prevent or conceal the signs of skin ageing and are available in the form of creams, serums, gels and so forth. VLCC entered the anti-ageing segment at an early stage of VLCC's evolution, and its strategic advertisement effort is expected to help VLCC acquire a major position in the anti-ageing market.

Professional products market

The growth of professional products market can be directly attributed to the increased demand for salon industry in India. Salons offer services that require professional products or form part of their services, which thereby led to a growth of professional products market.

Hair care and skin care are the main two categories of the professional products market, which show a distinct trend with hair care category being dominated by a few international brands including L'Oreal, Schwarzkopf and Wella, whereas skin care category is highly fragmented with multiple domestic and international brand products.

Professional hair care category - key products and competition

Compared to skin care, brand awareness of hair products in salons is higher due to key market participants' aggressive marketing approach.

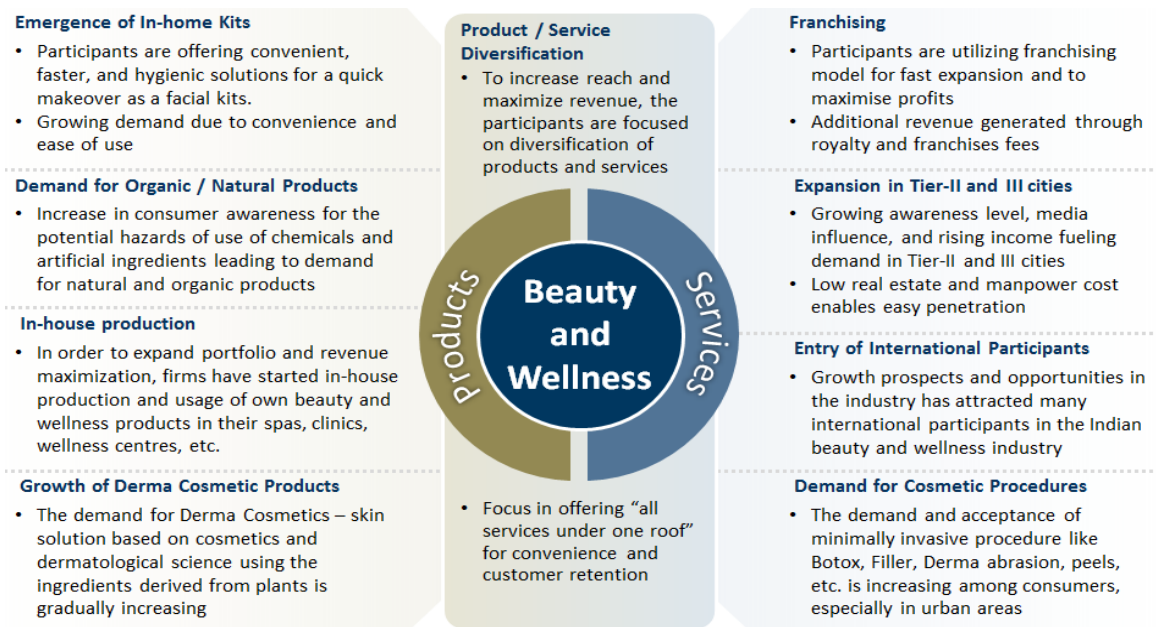
Hair coloring products dominate the hair care category, followed by straightening, hair treatments and hair spa products. In the hair products market, L'Oreal is the leading brand with more than 50% market share in organized salons, which market three major brands in India: L'Oreal Professional, Matrix and Kerastase. Other participants in hair care category include Wella and Schwarzkopf and domestic brands such as Godrej and Streax.

Professional skin care category - key products and key competition

Facial products have the highest consumption in the skin care category followed by cleansers, pedicures and manicures and treatment products. In high-end salons, consumer preference for international brand for hair care products is more prevalent than domestic brands. Unlike hair care products, however, there is marginal difference between consumer acceptance of retail skin care products and professional products range. Many brands offer bulk sized products for professional consumption. At lower-end salons level, consumers prefer local, retail skincare and lower priced brands. VLCC has a strong presence in the professional skin care category with stand-alone products range as well as a comprehensive collection of skin care solutions that vary according to skin types.

Major brands in the professional skin care category include Cheryl's, VLCC, Lotus herbals, O3+, Biotique, Blossom Kochhar Aroma Magic and Dermalogica.

Emerging trends in the beauty and wellness industry



(Source: F&S Report)

Key challenges and constraints

Limited pool of skilled personnel

Rapid growth with increased presence of the organized sector in the beauty and wellness industry has created a large demand for trained professionals. In the beauty and salon segment, the workforce requirement is expected to grow from 3.4 million in 2013 to 12.1 million in 2022 but the shortage of skilled workforce is a problem. (Source: KPMG NSDC Report) There is a clear need to motivate private players to participate in wellness education and training.

Recognizing the demand for trained professionals in the booming beauty and wellness industry, market participants are using their in-house capabilities to provide training to outside participants. For example, VLCC has set up a chain of VLCC institutes of beauty and nutrition, which offers specialized courses in beauty, hair, make up, spa therapies and nutrition.

Managing increasing costs

The cost of rent, manpower and consumables constitute over 50% of revenue for wellness providers. Rising rent and other costs are compromising delivery standards and profitability of key players in the industry.

Implementation and acceptance of quality accreditation

Despite recent developments in the beauty and wellness industry, there remains a gap of regulatory measure to standardize and maintain the quality in the beauty and wellness industry. Currently, there are only a few wellness centers that have been accredited by the NABH, a key regulatory body for accreditations of healthcare facilities in India.

GCC MACROECONOMIC INDICATORS

Significant combined Gross Domestic Product (“GDP”) of the countries in the GCC

The countries in the Gulf Cooperation Council (“GCC”) had a combined GDP of ₹ 103,000 billion (US\$ 1,648 billion) in 2014, which was approximately 80% of the GDP of India in the same year. The KSA and the UAE account for a majority of the combined GDP, accounting for 46% and 24%, respectively, of the total GDP in Fiscal Year 2014. The following table sets forth the GDP of certain countries for the years indicated.

GCC: GDP at Current Prices (Expected) ₹ billion (US\$ billion)

	2014	2015	2016	2017	2018	2019	2020
UAE	25,103 (402)	22,732 (364)	24,509 (392)	25,987 (416)	27,529 (440)	29,249 (468)	31,391 (502)
KSA	47,028 (752)	40,561 (649)	44,105 (706)	47,511 (760)	50,712 (811)	53,508 (856)	56,379 (902)
Bahrain	2,116 (34)	1,958 (31)	2,081 (33)	2,187 (35)	2,294 (37)	2,401 (38)	2,509 (40)
Kuwait	10,775 (172)	8,406 (135)	9,306 (149)	10,119 (162)	10,831 (173)	11,544 (185)	12,275 (196)
Oman	4,860 (78)	3,934 (63)	4,301 (69)	4,570 (73)	4,762 (76)	4,934 (79)	5,091 (81)
Qatar	13,125 (210)	12,313 (197)	12,831 (205)	14,013 (224)	15,019 (240)	15,950 (255)	16,863 (270)

(Source: IMF Estimates)

Steady expected GDP growth rates

The GDP per capita of the GCC countries is at par with developed economies such as the U.S. and the U.K. and is expected to grow by approximately 3-4% annually between 2014 and 2020.

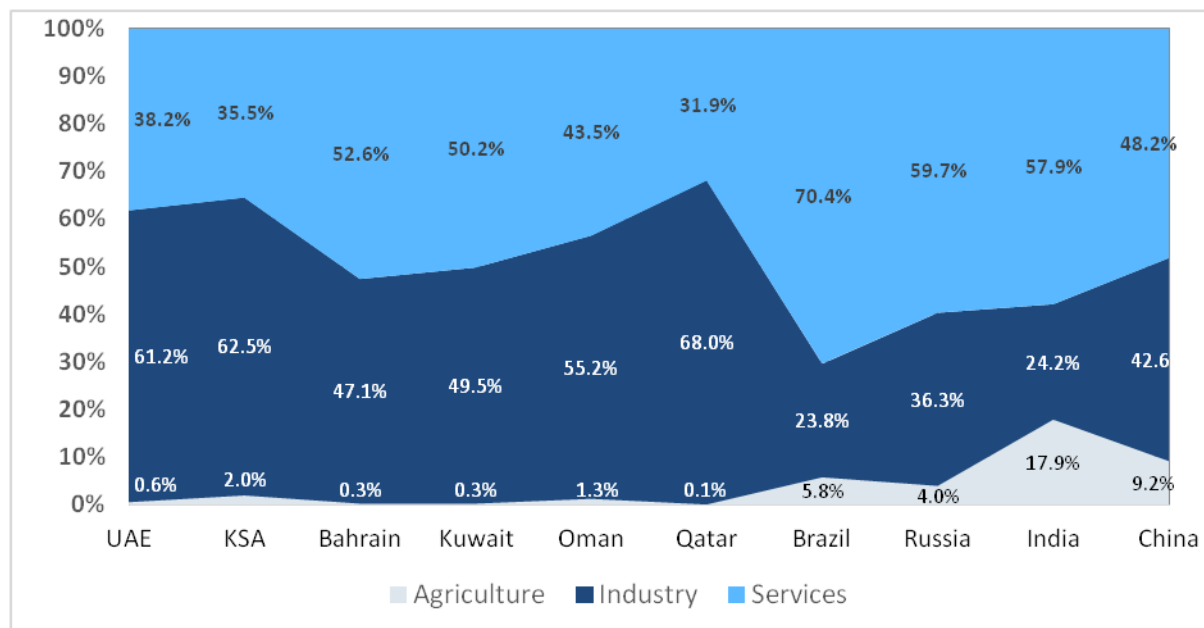
Diversified economies showing resilience to oil price fluctuations

The economies of the GCC countries have undergone significant transformation in the last two decades. This was mainly driven by the countries’ concerted efforts toward diversification of economies and reduced dependence on oil revenues.

For example, the KSA’s economic diversification initiatives have been successful in sectors such as industrial goods, tourism, infrastructure and medical services. This is largely aided by the availability of capital and vast

developmental projects. Economic diversification in the GCC countries is also a key reason why these economies have shown resilience in the wake of recent fluctuation in global oil prices.

The following table sets forth the GDP contribution across sectors for the GCC and BRIC countries.

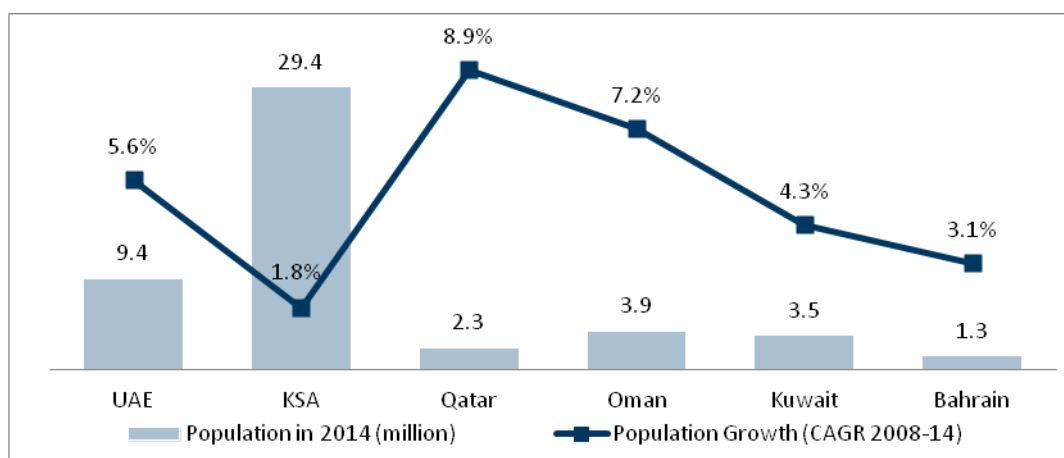


(Source: CIA World Factbook, 2014)

The GCC demographic overview

Continued rising population across the GCC

Among the GCC countries, the KSA has the highest population, followed by the UAE and Kuwait as set forth in the diagram below.



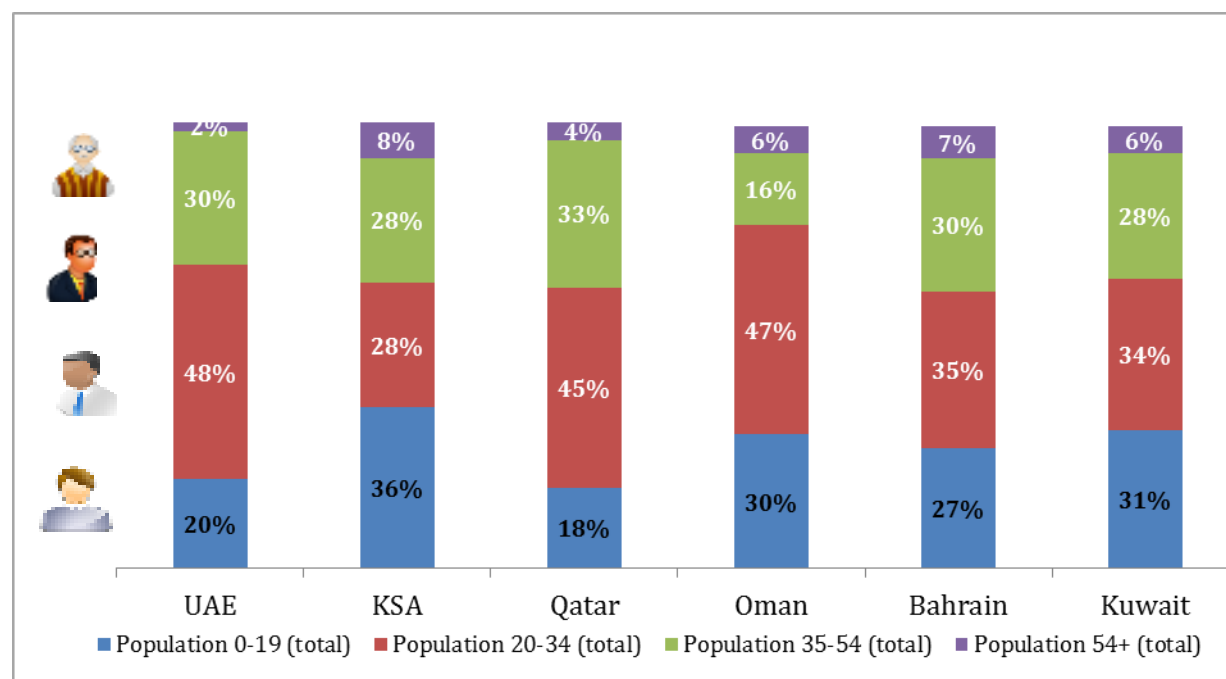
(Source: World Bank, 2014)

The GCC countries have witnessed a tremendous infrastructural, economic and social growth and, therefore, an inflow of expatriates to these countries, boosting their population growth. This has resulted in a rise in the demand for consumer goods and services.

The rising population together with rising disposable income has created opportunities for the expansion of hypermarkets and supermarkets, which in turn led to a wider availability and better accessibility of over-the-counter consumer products.

Young demographics - high proportion of working population

More than 60% of the population in the GCC Region is under 34 years of age. In Qatar, approximately 63% of the population is under 34 years of age whereas in Oman, approximately 77% of population is under 34 years of age. The table below sets forth an estimated age breakdown of the GCC countries' population for 2014.



(Source: World Bank, 2015, Frost & Sullivan Analysis)

The increasing number of working population has led to growing consciousness towards appearance, acting as a trigger for the demand for beauty and wellness products and services market in the GCC Region.

Rising female participation in the workforce

Over the years, the volume of female labor force has increased across the GCC as a result of urbanization, globalization, rise in education levels, reduction in fertility levels and the influence of media and the internet. This is giving rise to a new generation of women with changing demands and lifestyle. These women's demand for personal grooming, relaxation and fitness are great which consequently has driven the growth of the beauty and wellness industry.

The KSA has seen a 4% rise in the working female population from 12% in 2006 to 16% 2012. According to a UN Human Development report published in 2014, in Qatar, approximately 51% women are active in the labor market as compared to 96% of men. Approximately 70% of college graduates in the country are women and UAE national females form 66% of the government work force, about a third of whom in senior positions. This can be attributed

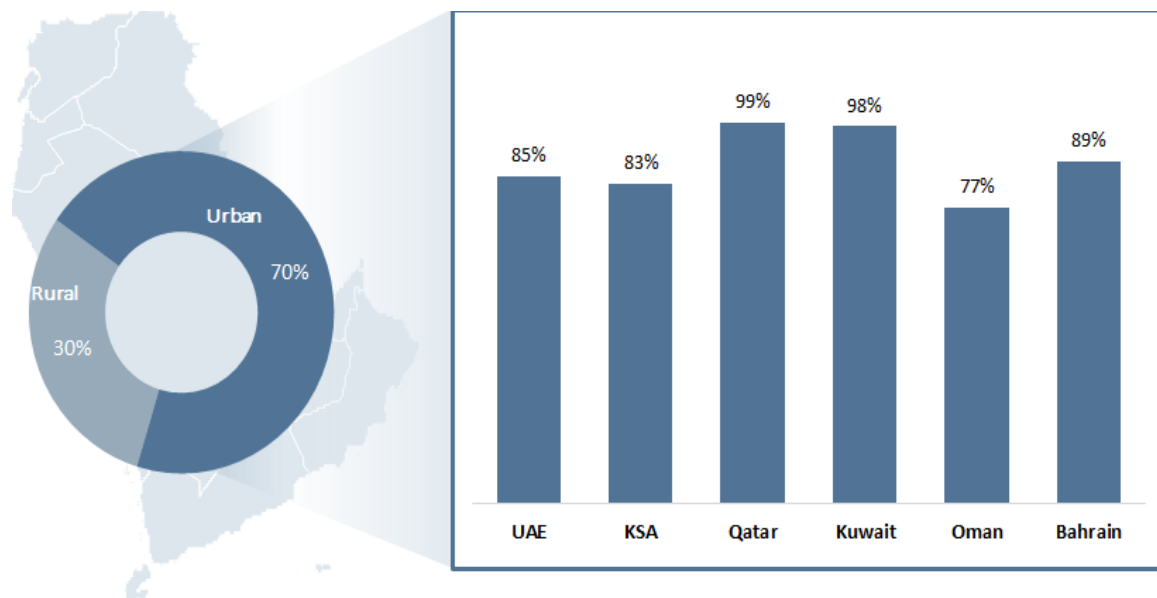
to the growing literacy level and the government regulation for compulsory female participation on the board of every government agency since 2012. (Source: F&S Report)

Increasing urbanization resulting in changing demands

The GCC Region has a population of over 37 million residents, of whom approximately 70% reside in urban areas. Approximately 100% of Kuwait and Qatar's residents reside in urban areas. The expected urban population growth rate is approximately at 2% for the GCC Region.

The rate of urbanization in the GCC Region is similar to that of the U.S. or U.K. where the urbanization levels are above 82% (as of 2014). Urbanization has a direct link to increased job opportunities and sedentary lifestyles and therefore, an increased focus on wellness. Demanding lifestyles and high stress levels have created a need for relaxation and rejuvenation services, pushing the demand for beauty and wellness services such as salon, spa, fitness centers, slimming centers and alternate therapies.

The following diagram sets forth the urban population of GCC countries as a percent of total population for 2014.



(Source: World Bank, 2015)

Market growth drivers

Rising income levels and discretionary spending

Within the GCC Region, Qatar has the highest GDP per capita of ₹ 5,872,813 (US \$93,965) followed by Kuwait with ₹ 2,693,938 (US \$43,103). The UAE – one of the largest markets for beauty and wellness – had per capita GDP of ₹ 2,698,750 (US \$43,180) in 2014.

The high per capita GDP in the GCC Region is complemented by government spending on healthcare and education. In addition, there is no tax on income in the GCC Region. Coupled with the fact that women are increasingly becoming income earning members, these have resulted in a population in the GCC Region with high disposable incomes. The middle class is also growing, which together with population with high disposable income,

is a prime target population for beauty and wellness industry. With the rise in discretionary consumer spending levels, the demand for luxury services, such as beauty and wellness services, is also on the rise.

Awareness levels and changing consumer lifestyle

Consciousness toward appearance and physical fitness has increased with widespread presence of Hollywood films and shows as well as coverage of the fashion industry by the media. Appearance has become increasingly important for today's youth due to personal and professional reasons, also prompted by an increase in the number of women professionals. In addition, middle-aged consumers are also willing to spend on wellness and beauty products and services to maintain and enhance their looks given the increasing awareness and social pressure.

Social media exposure, exploding internet and smartphone adoption

Social media has played a very important role in the expansion of the beauty and wellness market. With the increasing smartphone and internet usage, which is at 65-80% of the GCC countries' population, and growing influence of social media, the market participants' abilities to connect directly with and generate brand awareness among consumers have evolved. Social media, internet and smartphone are widely used as a platform to connect directly with consumers such as through on-line discussion for beauty and personal care issues, sharing of experience and educating consumers on various beauty and wellness related issues.

Changing disease patterns - need for better health

The rise in income and sedentary lifestyles has resulted in increased number of population with diabetics and cardiac issues. Among the GCC countries, Saudi Arabia has the highest prevalence of diabetes, followed by Kuwait and Qatar. Qatar ranks highest in obese population with approximately 42% of the population being obese.

Implications for the industry

Changing importance of looking good

Public perception and attitude toward beauty and wellness in the GCC Region have resulted in a boom in its beauty and wellness industry in the last decade. Increasing numbers of spas, beauty salons, gyms and wellness centers have appeared to meet the consumers' growing demands in the GCC Region.

Growing health consciousness; seeking preventative solutions

Due to the availability and convenience of the internet and media outlets, public awareness of health and wellness has increased, leading individuals to seek preventive options and solutions.

Realization that have to feel good to look good - seek solutions

There has been growing recognition of the effects mental wellness can have on one's body, which has led to an increasing number of individuals seeking services such as Yoga, meditation, and other healing services including Reiki.

Demand from corporate employers

The demand for beauty and wellness services by corporate employers has been on the rise. Corporations want healthier and fitter employees so that they can be more productive. As beauty and wellness services help people to be fit both physically and mentally, many large firms have invested in wellness programs for their employees resulting in a growth in gyms and fitness clubs.

OVERALL SIZE AND GROWTH TRENDS

The beauty and wellness industry in the GCC Region is estimated at ₹ 441 billion (US \$7.05 billion) in 2015, with products comprising 85% of the total industry. The overall industry has grown at a CAGR of 10-15% in the last three to four years. The initiatives taken by the governments of the GCC countries to promote the industry and the influence media have, together with higher income levels, have played a significant role in the growth of the beauty and wellness industry.

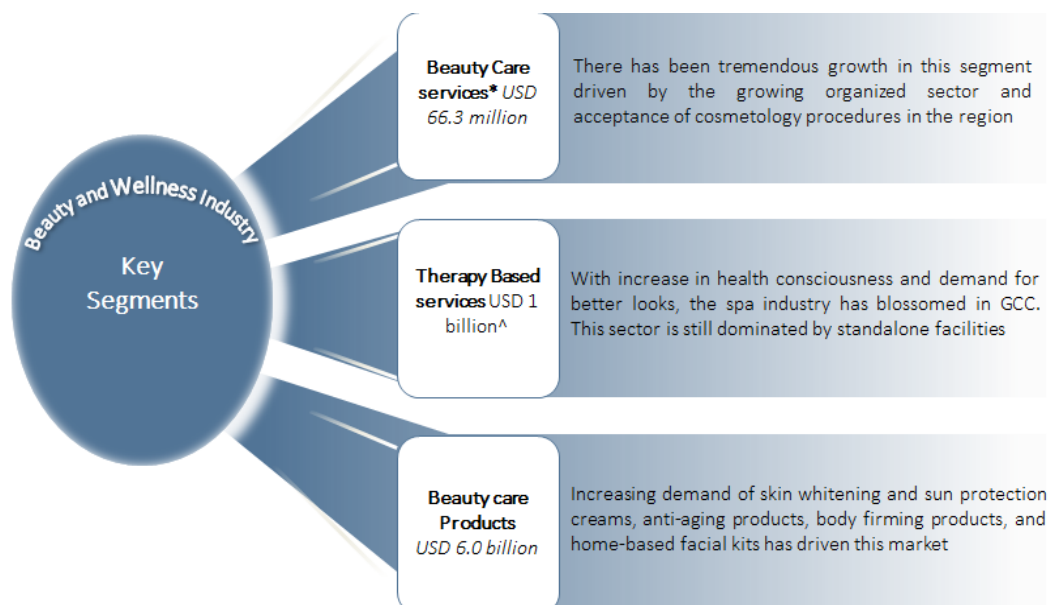
Organized versus unorganized participants

While the beauty and wellness products segment is largely organized, the services market is still dominated by several small, unorganized participants.

Within the wellness services industry, several small and stand-alone outlets provide market, regular beauty and spa services. There are more than 1,000 spas in GCC countries. However, only a few of them are present in more than one country. A majority of the spas are on stand-alone basis and unorganized participants.

However advanced treatments such as cosmetology related services, dermatological treatments and lasers are more organized and there are approximately 15-20 key organized participants across the GCC Region, with many of these present only in one to three countries of the GCC Region.

Key segments and characteristics of the organized industry



(Source: Frost & Sullivan Analysis, Primary Interviews, Global Wellness Institute Report, 2014)

*This does not include regular beauty services market size. This market is an estimate of the UAE and the KSA cosmetic dermatology and procedures market. The actual beauty services market will be much larger.

^This is the spa market size for 2013 for GCC countries according to the latest available figure.

Beauty and wellness service market

Market size and key segments share

The beauty and wellness services market has been classified in to three broad areas:

- therapy-based services;
- fitness-based services; and
- beauty services.

The overall market is estimated to grow at a rate of approximately 8-10%.

Segment-wise analysis

The beauty services market comprises regular beauty services and cosmetology-related services. The market size of cosmetology-related services was estimated at ₹ 4.5 billion (US \$.07 billion) in 2014 in the UAE and the KSA. These two countries constitute a majority of the cosmetology procedures market in the GCC Region. VLCC, Kaya Skin Clinic, Gold's Gym and Fitness First are key participants in the industry.

The market is growing at a robust rate of 15-20% year-on-year in both the UAE and the KSA.

The growth in cosmetic surgeries has been much lower, as people increasingly prefer non-invasive treatments aided by the advent of latest technology.

UAE market size for cosmetology services

Cosmetic procedures are generally carried on over multiple sessions. The market for cosmetic dermatology was estimated at approximately 11,000-13,000 procedures in 2013. A majority of the procedures take place over multiple sessions with an average of five to seven sessions per procedure. The market size in terms of sessions is estimated at approximately 70,000-75,000 sessions in 2014. In terms of volumes, approximately 70-75% of the cosmetic procedures market is concentrated in Dubai and Abu Dhabi.

Within the cosmetology services segment, cosmetic dermatology and laser treatments are major sub-segments, which account for 80-90% of the total procedures performed in the market. Key metrics considered for arriving at market estimates for cosmetic procedures are set forth in the table below:

Key Metrics: Cosmetic Procedures in the UAE (2013)					
	# of sessions (Annual)	# of procedures (Annual)	Average sessions per procedure ("ARPP")	ARPP* per session (U.S.\$)	Market value ₹ million (U.S. \$ in millions per year)
Cosmetic Dermatology	70,000-75,000	11,000-13,000	5-7	120-140	₹ 500-625 million (US\$ 8-10 million)
Other Cosmetic Procedures	15,000-18,000	15,000-18,000	1	50-60	₹ 50 – 80 million (US\$ 0.8-1.3 million)
Overall: Cosmetic Procedures	85,000-93,000	26,000-31,000	4-5	-	₹ 560-690 million (US\$ 9-11 million)

(Source: Frost & Sullivan Analysis, Primary Interviews, ISAPS)

*Average Revenue per Procedure

The KSA market size

According to the International Society of Aesthetic Plastic Surgery estimates, the KSA ranked 28th globally in terms of cosmetic surgeries and procedures in 2013. The number of cosmetic dermatology procedures in the KSA was estimated at 50,000-55,000 sessions in 2013. The KSA's market size for 2013 is set forth in the table below.

Parameter	# Procedures	ARPP (US \$)	Revenue - ₹ million (US\$ million)
Cosmetic Dermatology	50,000-55,000	₹ 56,200-62,500 (US\$ 900-1,000)	₹ 3,100—3,500 million (US\$ 50-55 million)
Other Cosmetic Procedure	55,000-60,000	₹ 3,100 -3 700 (US\$ 50-60)	₹ 130-190 million (US\$ 2-3 million)
Total Cosmetic Procedure	105,000-115,000	-	₹ 3,250-3,625 million (US\$ 52-58 million)

(Source: Frost & Sullivan Analysis, Primary Interviews, ISAPS)

Therapy-based services

According to the Global Spa and Wellness Economy Monitor, the GCC countries have one of the largest spa markets in the world with approximately ₹ 63 billion (US\$ 1 billion) market size in 2013. The spa industry is estimated to have grown globally at 8% between 2007 and 2013. The Middle East and North Africa is the second fastest growing spa industry in the world. The following table sets forth the number of spas in the beauty and wellness services market in the GCC Region in 2013.

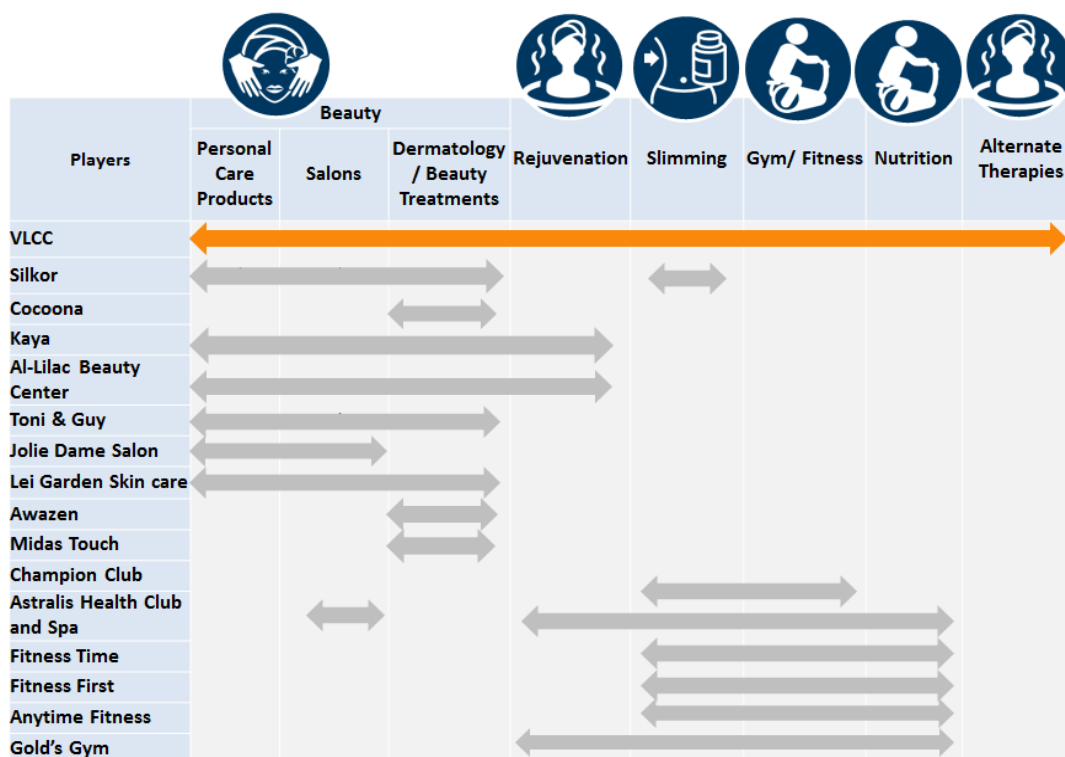
	Number of Spas	Spa revenue in US\$ million	Spa Employment
 UAE	566	581.6	18,251
 KSA	271	180.6	5,092
 Qatar	54	70.7	1,683
 Oman	76	68.4	1,722
 Kuwait	40	63.5	1,007
 Bahrain	42	52.3	1,261

(Source: Global Spa & Wellness Economy Monitor)

Key organized participants – service portfolio

The diversity of the beauty and wellness services industry ranges from beauty treatments to spa therapies, and from slimming procedures to rigorous physical workouts (activity) at fitness centers with various infrastructural, technical and manpower requirements. It is therefore, a challenging task for industry participants to make their footprint in all segments.

As illustrated in the graph below, the majority of the participants in the beauty and wellness services industry have limited presence with services offering in one to two segments of the industry.



(Source: Frost & Sullivan Analysis, Primary Interviews, Company Websites)

Among the key participants in the beauty and wellness industry, VLCC has the most diversified portfolio and presence in all segments. VLCC has marked its footprints in the beauty care and salon industry and the slimming and fitness industry and also spa services. Other participants mainly focus on niche segments such as fitness, salon services or rejuvenation services.

Key organized sector –positioning of major players

Among the key participants, VLCC has positioned itself as a full service provider of wellness, beauty and fitness. Other key participants such as Fitness First, Gold's Gym, Silkor and Cocoon offer services that are mainly in niche areas such as fitness services, cosmetic procedures and salon services.



(Source: F&S Report)

Number of outlets by key players

Participants such as Fitness Time, Fitness First, VLCC, Kaya, and Gold's Gym have extended their presence in the GCC Region. Fitness Time has majority of its presence in the KSA.

Among these participants, VLCC has the widest geographical presence, with outlets in all of the countries in the GCC Region except the KSA. Fitness Time is mainly present in the KSA and Gold's Gym is in the UAE only. Kaya has presence in the UAE, Oman, and the KSA but not in Qatar, Bahrain, and Kuwait.

Geographical presence of some key participants in the wellness services market in the GCC

VLCC is one of the few participants in the beauty and wellness services with a presence in five out of the six countries of the GCC. The only other participants which have such wide presence are Silkor and Fitness First, which are also present in five countries of the GCC.

Among the participants who are present in most of the GCC countries, VLCC offers the widest range of services.

Players	UAE	Oman	KSA	Qatar	Bahrain	Kuwait
VLCC	↔			↔		
Silkor	↔					↔
Cocoona	↔					
Kaya	↔					
Al- Lilac Beauty Center		↔				
Toni & Guy	↔		↔		↔	
Jolie Dame Salon	↔		↔			
Lei Garden Skin Care					↔	
Awazen	↔					
Midas Touch	↔					
Champion Club	↔					
Astralis Health Club and Spa			↔			
Fitness Time	↔		↔			
Fitness First	↔		↔			
Anytime Fitness	↔			↔		
Gold's Gym	↔					

(Source: F&S Report)

BEAUTY AND WELLNESS PRODUCTS MARKET

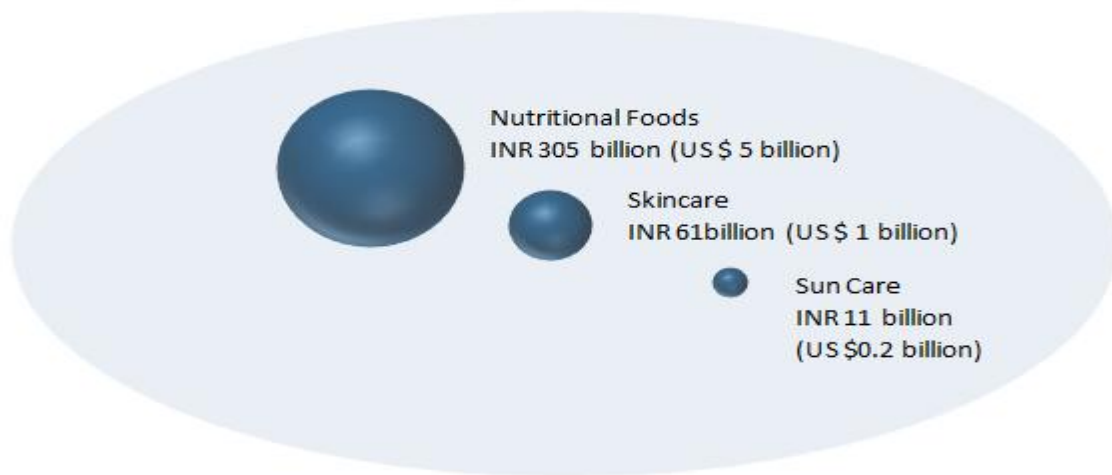
Beauty and Wellness Product – Key Segments



(Source: F&S Report)

The overall beauty and wellness industry is estimated to be ₹ 325 billion (US\$ 5.2 billion) in the KSA and ₹ 94 billion (US \$1.5 billion) in the UAE in 2015. The market size for other countries in the GCC Region is estimated at approximately ₹ 113 billion (US\$ 1.8 billion) in 2015. Therefore, the overall beauty and wellness market in the GCC Region can be estimated at ₹ 531 billion (US\$ 8.5 billion) in 2015. The historical growth has been estimated at 7-8% between 2010 and 2015. This robust growth rate is expected to continue in the next five years as well (between 2015 and 2019).

Beauty and wellness products specific to nutritional foods, skin and sun care



(Source: F&S Report)

Nutritional food is a key segment that has a high market size as well as growth, as compared to all other segments of beauty and wellness products.

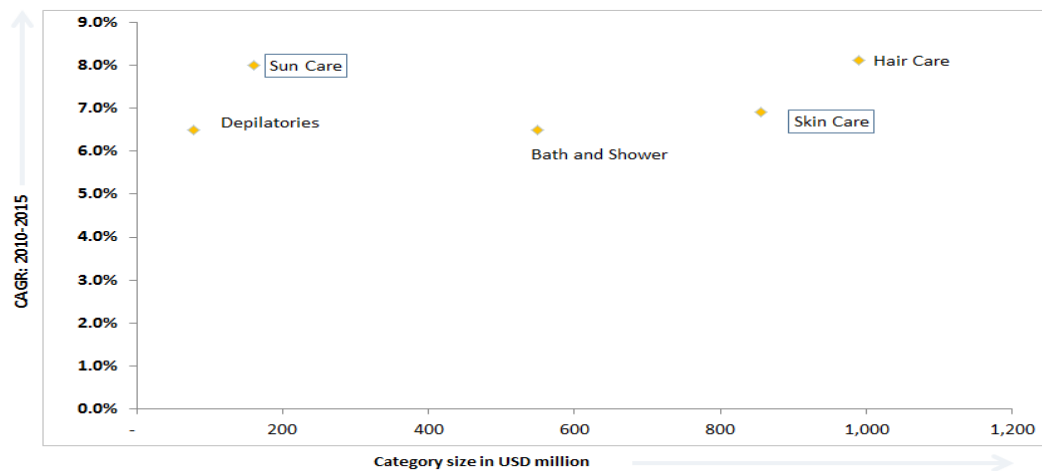
Retail market — key segment characteristics

Key Segment	CAGR (2010-15)	Characteristics	Key Participants
Skincare	6.5%	Consists of key sub segment like Anti-agers, Skin whitening and Face wash, etc. Premium skincare products accounted for 20 percent of the total skincare market in the KSA and 18 per cent of the total skin care market in the UAE.	Dove (Unilever Group) Jergens (Kao Corporation) Nivea (Beiersdorf AG) Olay (Procter & Gamble Co.) Vaseline (Unilever Group)
Sun Care	6.9%	- While consumption of premium brands in the KSA was lower at 14.5 per cent in 2014, it was significantly higher in the UAE at 38.7 per cent of the total market - In terms of absolute values, the premium segment in the KSA was much higher at INR 1,240 million(US \$19.8 million), as compared to the UAE at INR144 million (US \$2.3 million) in 2014.	Banana Boat (Playtex Products Inc.) Hawaiin Tropic (Tanning Research Laboratories Inc.) Neutrogena (Johnson & Johnson) Nivea Sun (Beiersdorf AG)
Nutrition Foods	10-15% Growth, was 10.3% from 2013-14	- The market is driven by increasing health consciousness of the population, and high obesity and diabetes in the GCC - The KSA and the UAE accounted for approximately 75 percent of the total nutrition foods market in 2014 - Among the different segments, cereals, flakes, and confectionary together accounted for 41.7 percent of the total market (i.e. INR 125 billion(US \$2 billion)) in 2014	NA

(Source: F&S Report)

Beauty and wellness products — expected growth rate

Based on the historical CAGR for 2010-15, the key product segments that experienced high, growth levels are skincare and sun care.

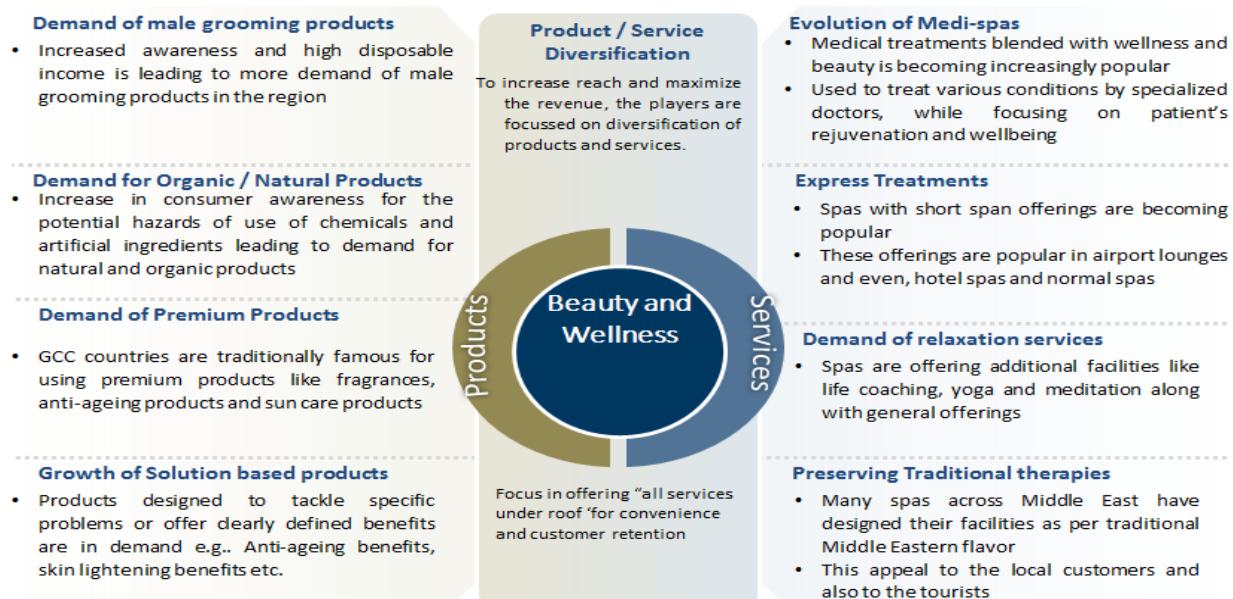


(Source: F&S Report)

*This market size is for overall GCC Region. The other segments market sizes are only for UAE and the KSA, which account for approximately 75-80% of the total GCC Region.

Most segments of the beauty and wellness products have a high growth. VLCC offers sun care and specialized skin care products, which have had historically high growth rates and are expected to grow at high rate in the coming years. Premium priced products have a great opportunity for future revenue growth.

Key trends – products and services



(Source: F&S Report)

Key trends shaping the industry

Key risks and challenges

Differences in regulations

Registration of facilities is not easy because countries have different rules for beauty treatment related and health services.

Lack of skilled workforce

Lack of skilled workforce in the industry is a challenge. In certain countries, governmental regulations for even basic job positions require governmental registrations, which could result in cumbersome procedures and delays.

Price competition

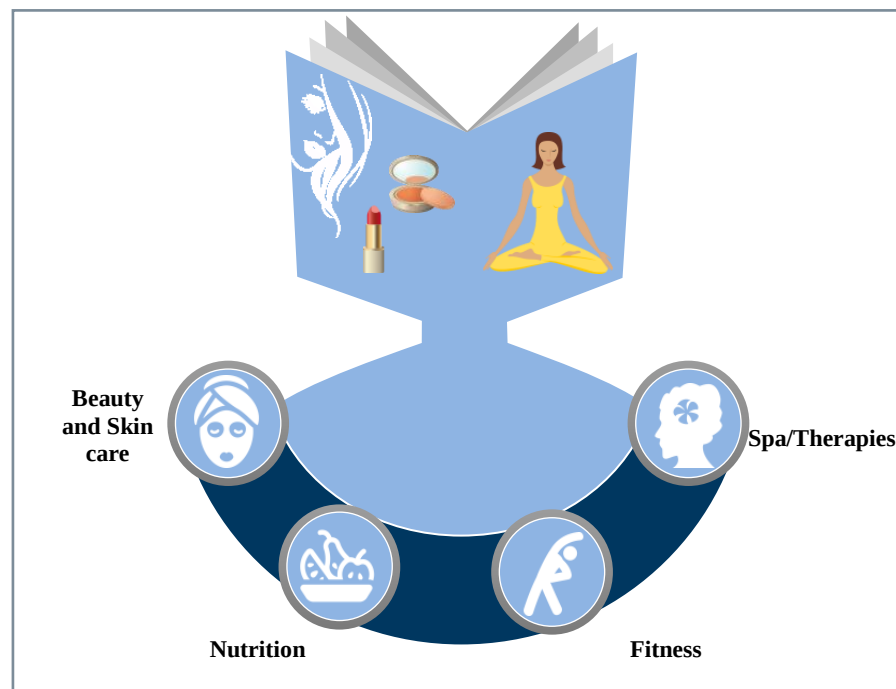
Organized players face price competition from unorganized players, which places pressure on the organized players' profit margins.

Participants without licenses with increased risks

Presence of doctors and technicians not registered with regulatory authorities rendering services at low prices pose a concern over quality of services in the industry as a whole.

Classification of beauty and wellness training institutes – key segments

The beauty and wellness courses are broadly classified into four key segments based on the nature of the service.



(Source: F&S Report)

Leading industry players including VLCC, Jawed Habib, Shahnaz Husain, Naturals salon and Gold's Gym, Orane Institute of Beauty and Wellness, Alps Beauty Academy, Classis Fitness Academy and Orient Spa Academy offer beauty and wellness training courses in India.

Beauty courses

There is a range of beauty courses available in the beauty and wellness industry. The main segments of beauty and wellness training courses include cosmetology, hair designing, salon management and beauty treatments. The curriculum ranges from basic make up techniques, hair cutting and designing, skin and hair rejuvenation techniques to high end cosmetology procedures. With the influx of new technology and products, the curriculum of these courses is expanding. Students need to know about and practice various new techniques in order to meet customer demand. Depending on a student's requirement, a course may be short term or long term ranging from three to four weeks and up to 12 months.

Beauty courses offered:

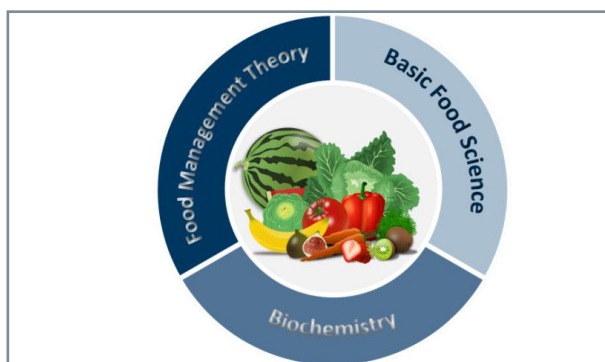


(Source: F&S Report)

Key players in the beauty and wellness training courses segment include VLCC institute, Jawed Habib training institute, Shahnaz Husain training institute and Naturals Training Academy.

Nutrition courses

Similar to beauty courses, organized and unorganized sectors provide nutrition courses. However, the demands for personnel who have studied nutrition courses in the organized sectors are higher due to the nature of the services provided. Nutrition courses comprise basic food and nutritional science, biochemistry and food management theory. It also includes some teaching on basic body physiology and food assimilation which help students to understand the dynamics of nutrition and optimal body weight. Nutrition courses prepare the students to educate their future clients regarding diet, correct dietary habits and maintaining desired body weight. The duration of nutrition courses may vary between 12-15 months with VLCC being a key provider of the courses in this segment. The nutrition courses offered are as below:



(Source: F&S Report)

Various academies offer a wide range of courses and training programs, most of which are short-term, ranging from three months to one year.

Fitness courses

With the rising concern for fitness, the need of personalized fitness trainers is increasing. Fitness trainers are professionals who provide guidance specifically designed to cater to an individual's body and create fitness schedules according to the individual's need.

These programs educate students to gather information regarding a client's health history, injuries, goals and measure blood pressure, body composition, resting heart rate, cardiorespiratory fitness, muscular strength and endurance, and flexibility. Students are also trained about basic body anatomy and physiology. On the basis of these training, students are able to develop customized exercise programs appropriate for varied fitness goals and learn how to choose proper frequency, intensity, time, and type of exercise for clients. Also, they are trained on various exercise techniques and equipment in the fitness training setting.

However, most gyms conduct their own training programs because there is limited availability of certified trainers applying as instructors. Instructors' teaching experience in fitness does not require that they have received any formal training. After obtaining basic fitness training, instructors are exposed to the latest international methodologies by reputed gyms.

Other Courses

A range of other courses are available including courses in spa and rejuvenation services, alternate therapy and training for personal fashion stylists.

Business models for training institutes

Training programs are available on both private and Government platforms in addition to through in-house training and courses available at companies or franchisee-level.

Three types of business models are available for training institutes in the beauty and wellness industry. Some businesses collaborate with the Government bodies for their institutes and projects while others work independently. A brief overview of various prevailing models is mentioned below:

- i. *Captive training institutes* – Many market participants which have a few beauty salon/parlors or spas recognize the need for in-house training centers to meet captive requirement and accordingly, operate training centers. Most of the market participants will have a small area in their beauty salon/parlor where they provide training. Many spas including smaller sizes also offer on-job training or in-house training.
- ii. *Independent training institutes* – To overcome the challenge of the manpower availability, the leading industry players have started their own training institutes feeding the manpower demand of the industry on a larger scale. They have a wider geographical presence with numerous courses offering suiting the industry requirement.

Training courses in hair care category has the largest demand and most of market players in India have small independent training Institutes to locally cater to the demand in addition to providing basic skin care training at some locations. Jawed Habib Academy and Shahnaz Husain International Beauty Academy are the prominent market participants in this segment with average size of their premises ranging from 500 sq. ft. to 1,000 sq. ft. Jawed Habib Academy offers basic and advanced training in hair designing and beauty care. Naturals Salon offers training programs in haircut and styling, salon management, hand and feet care management.

There are a few players who provide comprehensive and high-end training in skin care, hair care and spa services in addition to basic training courses, including VLCC Institute, Orane Institute of Beauty and Wellness, which are leading players in this segment with an average size of premises ranging from 1,500 sq. ft. to 2,500 sq. ft.

- iii. *Association with government bodies* – Some of the industry players such as VLCC Institute operate several skill development programs in partnership with various ministries and departments of the Central Government and State governments. VLCC Institute is registered with BWSSC to offer various training courses. There are other market participants with relatively fewer numbers of training centres and smaller regional presence than VLCC Institute such as Butic Institute of Therapy and Hair Dressing, which are also associated with the Central Government and State governments to offer training courses. Market participants in this segment have an average size of premises ranging from 1,500 sq. ft. to 2,500 sq. ft.

Demand and supply of beauty and nutrition industry personnel

The lack of skilled staff and a high attrition rate are one of the main challenges of the beauty and wellness industry. There are only a few institutions or academies offering certified training courses in beauty and wellness. Most of the workforce is given in-house training when they begin their careers at a spa or salon.

In other wellness domains such as spas and fitness training institutes, there has been a considerable shortage of trained personnel. With the entry of international participants and consumers' increasing awareness of quality of services at different locations, the demand of professionally trained personnel is increasing despite its inadequate supply.

Some of the factors for the gap between demand and supply are:

- inadequate availability of training infrastructure;
- non-standardized training curriculum; and
- insufficient number of quality trainers.

KPMG NSDC Report projects that there will be an expected demand of 7.39 million personnel by 2017 and 14.27 million by 2022 in the beauty and wellness services and products segment in India.

With the increasing population, middle class and disposable income, the only way to resolve the imbalance in supply and demand of the beauty, wellness and nutrition industry workforce is to ensure the availability of training and skills enhancement services in beauty, wellness and nutrition and increase the number of institutes providing such services.

Current challenges and strategies to attract and retain workforce

Recruitment and retention of talented and skilled workforce pose a great challenge to the fitness, beauty and wellness industry. Some of the major challenges are listed below:

- notion of low salaries in the industry, decreasing the attractiveness for new entrants into the industry;
- low awareness about the availability of training courses and opportunities in the beauty and wellness industry;
- restricted regional presence of the majority of the market players in organized and unorganized segments makes relocations of the workforce challenging;
- lack of formal prerequisites for certification in training from industry operators or the Government which leads to uncertified and not sufficiently qualified skilled personnel;
- a skilled personnel may be approached by competitors and offered a more attractive compensation package; and
- lack of value-added benefits such as formal training and new technology, leading to possible loss of workforce.

Key Player Positioning

The VLCC Institute has grown to become India's largest chain of vocational education academies in beauty and nutrition training segment with its more than 60 campuses, training nearly 10,000 students annually and offering courses in multiple disciplines. Other industry players offer courses in one or two disciplines such as beauty treatments, hair styling/designing and fitness and do not offer a wide range of courses.

The table below indicates the player positioning in the beauty and wellness training industry.

Players	Beauty Courses			Nutrition	Spa/ Therapies	Fitness
	Beauty Treatment	Hair Styling	Cosmetology			
VLCC Institute of Beauty and Nutrition						
Jawed Habib Academy						
Naturals Training Academy						
Shahnaz Husain International Beauty Academy						
Lakme Training Academy						
Geetanjali Academy						
Ananda Spa Institute						
Gold's Gym Fitness						
Talwalkars Training Academy						

(Source: F&S Report)

OUR BUSINESS

Certain data included in this section in relation to certain operating metrics, financial and other business related information (such as number of wellness centers and vocational education institutions, same store sales growth, number of products, number of consumers served in the last 10 years, among others) not otherwise included in the Restated Financial Information have been reviewed and verified by S.N. Dhawan & Co., Chartered Accountants.

VISION AND MISSION

Our mission since inception has been to transform lives by making beauty and wellness accessible to women and men everywhere, which we believe empowers our consumers to look good, feel good and get the most out of life.

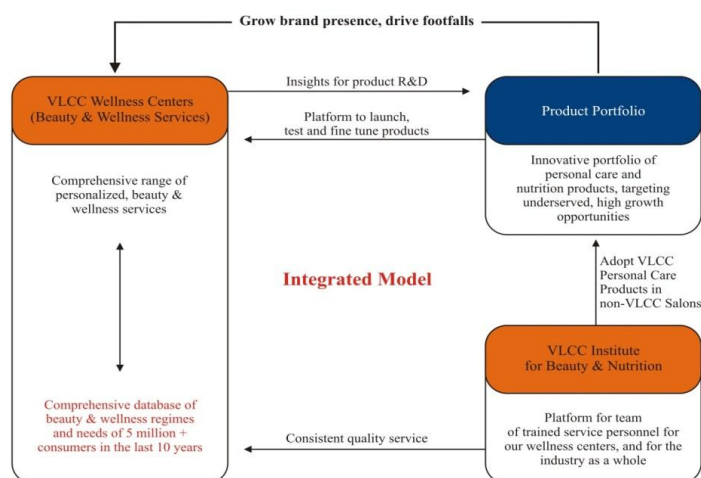
OVERVIEW

Founded by Mrs. Vandana Luthra as a beauty and slimming services center in 1989, our Company was incorporated in 1996. We believe that our Company was among the first multi-center corporate operations in the beauty and wellness industry, which was at the time mostly composed of individually-operated, small scale businesses. Over 25 years of operation, the VLCC® brand has grown to receive “Superbrand” status in 2003, 2011 and 2014, and recognition as “India’s most trusted wellness brand” in the Trust Research Advisory Survey, 2015.

As of July 31, 2015, we have among the largest scale and breadth of operations within the beauty and wellness services industry in India, serving consumers across 301 locations in 134 cities and across 11 countries in South Asia, South East Asia, the GCC Region and East Africa. We have a comprehensive portfolio of beauty and wellness services, personal care and nutritional products. We are leaders in the Indian beauty and wellness industry by market share in the total organized industry (*Source: F&S Report*) and we had consolidated revenues of ₹ 8,163.44 million in Fiscal Year 2015, which have grown consistently at CAGR 21.04% between Fiscal Year 2011 and Fiscal Year 2015.

The Indian beauty and wellness industry opportunity is substantial, growing at a CAGR of 18.6% in the next few years and is expected to reach ₹ 803.7 billion by the end of 2017. More than 70% of the beauty and wellness industry is in the unorganized sector, dominated by small market players with limited training and modern technical knowledge. (*Source: “Human Resource and Skill Requirements in Beauty and Wellness Sector (2013-17, 2017-22)”, prepared by KPMG Advisory Services Private Limited (“KPMG”) for the National Skill Development Corporation (“NSDC”)*) (the “**KPMG NSDC Report**”)

We believe that VLCC’s brand recognition with consumers, the scale and breadth of our operations across India and international markets and our bespoke integrated business model are our core competitive advantage which makes our business well positioned for sustained, competitive and profitable growth.



Originally started as a beauty and slimming services business, we have over 25 years of operations and have built a strategic integrated business model with three core business segments: VLCC branded wellness centers (“**VLCC Wellness Centers**”), vocational education services served by our institutes offering courses in beauty services and nutrition (“**VLCC Institutes**”) and manufacturing, distribution and marketing of VLCC branded personal care products, functional foods and fortified food products (“**Personal Care Products**”).

We estimate that in the last ten years, we have served the beauty and wellness needs of over five million consumers (including repeat consumers), including both women and men. Our integrated business model is empowered by consumer data we have collected from consumers across different demographics, ethnicities and nationalities. We believe that our analysis and interpretation of this exclusive consumer database provides us with a nuanced understanding and insight into the constantly evolving beauty and wellness industry. In addition, we believe our operations in the relatively more developed and competitive markets in South East Asia and the GCC Region provide us with perspective on emerging trends and new technologies in the beauty and wellness industry. We strive to use both our consumer data and our international insight to develop and integrate each of our three business segments to create sustainable growth. A brief overview of our three business segments and how they support growth for each other is set forth below.

Beauty and Wellness Services: VLCC Wellness Centers

Our ambition is to make wellness-driven beauty services accessible to consumers everywhere. As of July 31, 2015, we had 236 VLCC Wellness Centers in 122 cities, across 11 countries, of which 213 wellness centers are under the VLCC brand and the 23 wellness centers in Malaysia are under the *Bizzy Body*[™] and *Facial First*[™] brands. In India, we have the most extensive and widest reach with outlets across majority of states in India. (*Source: F&S Report*) Of our 187 VLCC Wellness Centers in India, 60 are franchisee owned. Our franchised centers are mostly situated in Tier II and Tier III cities, which extend our reach farther and deeper into India. Apart from India, we also operate 49 VLCC Wellness Centers in UAE, Oman, Bahrain, Qatar, Kuwait, Kenya, Sri Lanka, Bangladesh, Nepal and Malaysia. All of these Wellness Centers, with the exception of one Wellness Center in Nepal, are company-owned and operated.

We have consistently endeavored to lead the market by building a comprehensive beauty and wellness services portfolio and by serving a broad spectrum of consumer needs and price points through leveraging our experience, insights from our exclusive consumer database and our international presence. Our offerings include: slimming solutions and entry level routine beauty services; advanced treatments and therapies for hair, skin and body; and high value, expert services such as minimally invasive derma-cosmetic procedures, skin treatments and laser hair removal. We have a diversified services and products portfolio, enabling us to serve consumers with varying sophistication of beauty and wellness needs and varying income levels.

We believe that our broad reach, taken together with our extensive services offerings strategically position us to compete across a wide range of products and services categories against competitors who focus on niches and sub-segments in the beauty and wellness market.

Vocational Education: VLCC Institutes

The lack of training and the resulting lack of a highly skilled workforce is one of the key weaknesses of the beauty and wellness industry. (*Source: KPMG NSDC Report*) Therefore, we opened our VLCC Institutes to teach entry-level and skill enhancement courses in beauty and nutrition. We operate 65 VLCC Institutes, located in 49 cities across India and one in Nepal, of which 23 were franchisee owned (including one in Nepal) as of July 31, 2015. This enables us to create a skilled workforce, which we utilize to provide the quality of service necessary to achieve high customer satisfaction at our wellness centers. We believe this is reflected in the number of repeat customers for our slimming and beauty packages in India, which were 39.99% in Fiscal Year 2015 as compared with 30.75% in Fiscal Year 2013.

While some VLCC Institute graduates join our VLCC Wellness Centers, many other of our graduates go on to work in other salons in the unorganized sector or become entrepreneurs after we have trained them with our VLCC products and procedures, which we believe creates a ready market for our Personal Care Products. We believe this also enables consumers to experience the VLCC brand beyond wellness centers, creating further awareness for our brand.

In addition, we believe our VLCC Institutes extend our mission of transforming lives by helping create employment and entrepreneurial opportunities for women to enable their financial independence. In Fiscal Year 2015, we trained 10,574 students at our VLCC Institutes.

Product Portfolio

We have leveraged our exclusive consumer database, and our insight into evolving beauty and wellness needs to build and grow a diversified product portfolio in-house, through our Subsidiary VLCC Personal Care Limited. Our strategy focuses on building a carefully planned portfolio of innovative and differentiated personal care, nutritional and functional food products, targeting fast growing, underserved market opportunities where competition is limited or fragmented.

We currently market 169 skin care, hair care, body care, functional foods and fortified foods products. We manufacture 158 of these products at our own GMP-certified manufacturing plant in India. Our growing distribution network reaches over 72,000 outlets in India, apart from retail outlets in the overseas markets, primarily in the GCC Region, in addition to third party channels and emerging new channels such as e-commerce and teleshopping, which we are actively pursuing. We also manufacture substantially all the products that we use in-house as consumables in treatments and therapies, or that we retail exclusively through our VLCC Wellness Centres.

Revenue from our Personal Care Products business, which is complementary to our beauty and wellness services business, has grown by 2.63 times in the four years from Fiscal Year 2011 to Fiscal Year 2015, contributing ₹ 2,523.67 million or 31.11% to our consolidated revenue from operations in Fiscal Year 2015.

We believe our strategy, our bespoke integrated business model, and our ability to execute our strategy have translated into a track record of sustained revenue growth, and the capacity to invest for future growth. The table below sets forth our segmental revenue for the years indicated.

Business Segment Revenue	Year ended March 31,			
	2014		2015	
	(₹ million)	(Percentage)	(₹ million)	(Percentage)
Services:				
VLCC Wellness Centers - India	2,529.16	35.67%	2,628.16	32.41%
VLCC Wellness Centers - International	2,381.18	33.59%	2,585.43	31.88%
VLCC Institutes	297.76	4.20%	373.09	4.60%
Products: *				
Personal Care Products	1,881.56	26.54%	2,523.67	31.11%
Total Revenue from Operations	7,089.65	100.00%	8,110.35	100.00%
* Products:				
Sale of products	1,877.38	26.48%	2,513.57	30.99%
Other operating revenue (for products)	4.18	0.06%	10.10	0.12%
Personal Care Products	1,881.56	26.54%	2,523.67	31.11%

COMPETITIVE STRENGTHS

We believe our well known and trusted brand, the scale and breadth of our operations, our bespoke integrated business model, our product strategy and capabilities, our attractive financial structure and our management capability combine to give us a competitive advantage in targeting significant opportunities for growth in the beauty and wellness industry in India and other markets in South Asia, South East Asia, the GCC Region and Africa.

VLCC's stature as a leading brand in the Indian beauty and wellness industry

We are a long established brand in the Indian beauty and wellness industry and have a successful track record of expansion into new geographies, services and products: The “VLCC” brand has a long track-record in the Indian beauty and wellness market. Recognized for “Outstanding Contribution to the Aesthetic Industry” and “Best Creative Resource Supplies of the Year” at the Indian Salon and Wellness Congress, 2015, among others, we have evolved from a “slimming services” brand to a holistic “wellness from beauty” brand, offering a comprehensive range of beauty and wellness products and services. For example, we have a market leadership position in the facial kits products market in India (*Source: F&S Report*). We have successfully expanded our brand to include both beauty and wellness services and beauty and wellness Personal Care Products and we have extended our brand reach to address the needs of customers across ethnicities and beauty and wellness needs in South East Asia and the GCC Region.

VLCC enjoys a high level of consumer trust in India: Starting from offering beauty and slimming services, the VLCC brand now spans services as well as products in the beauty and wellness industry. As an early entrant in the industry, with over 25 years of operations, the VLCC brand is well known by consumers in India, and has been recognized as a “Superbrand” by Superbrands in 2003, 2011 and 2014. We believe VLCC is also a brand that enjoys a high level of consumer trust, reflected in VLCC’s recognition as “India’s most trusted wellness brand”, in the annual India’s Most Trusted Brands Survey, 2015.

VLCC is well positioned to benefit from growth opportunities in India: The Indian beauty and wellness market opportunity is substantial, growing at a CAGR of 18.6% in the next few years and is expected to reach ₹ 803.7 billion by the end of the year 2017. More than 70% of this market is in the unorganized sector dominated by small players with limited training and lack of knowledge of modern techniques. (*Source: KPMG NSDC Report*) The market is expected to continue growing strongly, driven by macro factors such as a young population, urbanization, more nuclear and dual income families, increasing discretionary spending, increasing media exposure and internet adoption. Indian consumers are increasing their spending on beauty and wellness products and services. Further, obesity and lifestyle diseases are on the rise. (*Source: F&S Report*) We believe that increased consumer concern and growing health consciousness is creating a growing consumer need for holistic, preventative health and well-being solutions. As a leading and trusted brand in the beauty and wellness industry, we believe that we stand to gain as more consumers adopt beauty and wellness services as part of their lifestyle.

Capability to leverage scale, scope and breadth of our operations

Scale, breadth and reach of our operations:

As of July 31, 2015, we operated 236 VLCC Wellness Centers, in 122 cities across 11 countries, of which 213 wellness centers were operated under the VLCC brand, and the 23 wellness centers in Malaysia were under the *Bizzy Body™* and *Facial First™* brands. In India, we had 187 VLCC Wellness Centers, of which 127 we operated and 60 were franchisee operated. Our franchised centers are mostly situated in Tier II and Tier III cities, which extend our reach farther and deeper into India. We intend to continue expanding in Tier II and Tier III cities with an asset light model, through franchised Wellness Centers. In addition, we will selectively add centers in high growth Metropolitan cities and Tier I cities, leveraging our existing scale in those markets to lower the initial operating costs of new VLCC Wellness Centers.

Comprehensive portfolio of beauty and wellness products and services, catering to the needs of a diverse range of consumers across income levels: We endeavor to lead the market in building a comprehensive beauty and wellness services portfolio and by serving a broad range of consumer needs and price points through leveraging our over 25 years of experience, insights from our exclusive consumer database and our international presence. Our offerings include: (i) slimming solutions and entry-level routine beauty services, (ii) advanced treatments and therapies for hair, skin and body; and (iii) high-value expert services such as minimally invasive derma-cosmetic skin treatments and laser hair removal treatments. We also have a range of personal care and fortified food products that

complement our services. We believe that the range and breadth of our beauty and wellness services and products, positions us well to capture consumers from the key source of growth – mostly unorganized sector (*Source: KPMG NDSC Report*), and cross-sell and up-sell consumers as their beauty needs and regimes evolve.

Our exclusive consumer database and insight on consumer beauty and wellness routines and regimes, with the capability to segment and efficiently target offerings with analytics and Customer Relationship Management tools: In the last 10 years of our operations, we have served over five million consumers (including repeat consumers), both women and men, across demographic profiles, socio-economic strata, ethnicities and nationalities. We use customer relationship management systems to:

- (a) Monitor individual customer progress and tailor our service offerings with the objective of delivering individualized services and increasing customer satisfaction and retention; and
- (b) Enable customer segmentation for cross-sell and up-sell opportunities across our products and services portfolio.

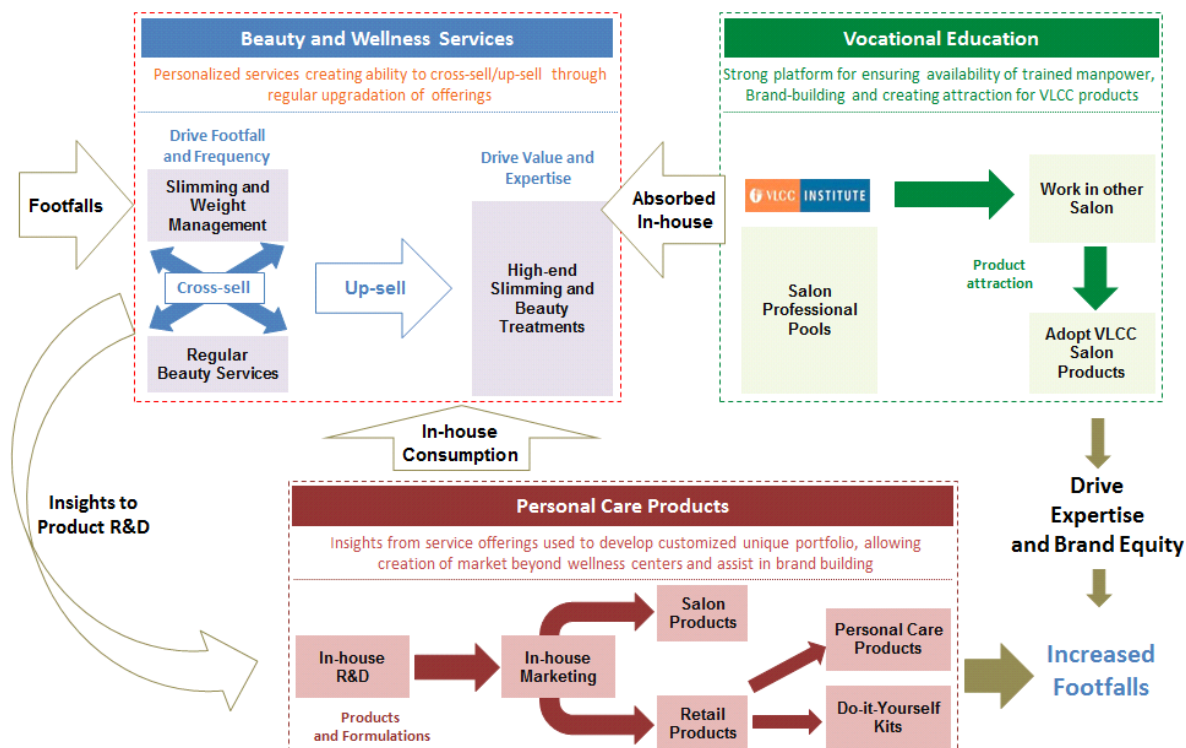
Combined with our loyalty program, “VLCC Way of Life”, this approach has contributed to increasing our share of revenue from customers with packages of more than ₹ 50,000 from 30.60% in Fiscal Year 2013 to 45.81% in Fiscal Year 2015, while growing absolute customer numbers of this type by a CAGR of 19.33% between Fiscal Year 2013 and Fiscal Year 2015.

Our VLCC Institutes for vocational education provide a reliable supply of skilled, well trained service staff for our VLCC Wellness Centers and for the industry as a whole: As of July 31, 2015, we operated 65 VLCC Institutes, of which we operated 42, on our own, including under government sponsored schemes. Our franchisees operated 23 VLCC Institutes, mostly in Tier II and Tier III cities in India and one in Nepal. We believe this creates a pool of skilled and well-trained service staff for our beauty and wellness services business, enabling consistency and quality of service, reflected in high repeat rates of packages (33.99% in Fiscal Year 2015, which was an increase from 30.75% in Fiscal Year 2013 in India). While some VLCC Institute graduates join our VLCC Wellness Centers, many other of our graduates go on to work in other salons in the unorganized sector or become entrepreneurs after we have trained them with our VLCC products and procedures, which we believe creates a ready market for our Personal Care Products. We believe this also enables consumers to experience the VLCC brand beyond wellness centers, creating further awareness for our brand.

Brand spanning services and products, driving brand presence and the opportunity for consumers to engage with the brand at many more touch points: We currently market 169 skin care, hair care, body care, functional foods and fortified foods products. We manufacture 158 of these products at our own GMP-certified manufacturing plant in India. Our growing distribution network includes over 72,000 outlets in India apart from retail outlets in overseas markets, primarily in the GCC Region, in addition to third party channels and emerging new channels such as e-commerce and teleshopping, which we are actively pursuing. We also manufacture substantially all the products that we use in-house as consumables in treatments and therapies, or that we retail exclusively through our VLCC Wellness Centers. Our *Specifix*[™] and *BelleWave*[™] range of products are distributed through a focused network targeting salons. We believe this significantly enhances our brand presence, creating opportunities to generate brand trials that would be otherwise hard to achieve.

Bespoke integrated business model

Starting as a beauty and slimming services business, we have built a bespoke integrated business model with three core business segments: VLCC Wellness Centers, VLCC Institutes and VLCC Personal Care Products. The synergies that we derive from each of these operational businesses, we believe, are a source of competitive advantage.



Our business model comprises the following:

Drive new customer traffic and frequency: We believe slimming and weight management, and our routine beauty services, which are relatively low-cost, recurring services for customers, drive foot traffic and frequency of visits and serve as an entry point for new customers. We then seek to convert customer inquiries into package sales through consultation with experienced therapists, which we believe increase repeat business and brand-loyalty over time.

Drive bill value and margins: We believe that once our consumers have experienced our services in our VLCC Wellness Centers, our extensive portfolio of services across weight management, routine beauty services and higher value therapies, treatments and procedures, targeted through our CMS system, creates opportunities to cross-sell and up-sell between services and between products and services.

Innovative, differentiated products created from the insights and knowledge generated through the exclusive customer database: We use insights derived from our exclusive database of customers who use our beauty and wellness services to feed into our product development and innovation engine, with the objective of creating differentiated and innovative products that seek to address gaps in niche, under-served, fast growing segments of the beauty and wellness industry.

In-house capabilities across the product value chain: We have developed extensive in-house capabilities across the Personal Care Products value chain, such as in research and development ("R&D"), marketing and manufacturing, with the objective of creating innovative, differentiated and compelling product mixes. In addition, we have the capability to distribute across traditional trade, modern trade, e-commerce, third party channels and professional channels. We also manufacture products that are used as consumables in treatments and therapies at, or retailed exclusively through, our VLCC Wellness Centres.

Quality service, delivered by a team of skilled, well-trained services staff sourced from the VLCC Institutes: We aim to convert a key limitation on growth – the availability of skilled service staff – into a competitive advantage with our own pipeline of trained personnel. While some VLCC Institute graduates join our VLCC Wellness Centers, many other of our graduates go on to work in other salons in the unorganized sector or become entrepreneurs after we have trained them with our Personal Care Products and procedures, which we believe creates a ready market for our Personal Care Products. We believe this also enables consumers to experience the VLCC brand beyond wellness centers, creating further awareness for our brand.

Capability to identify and innovate a differentiated product portfolio

We believe that creating a substantial, scaled products business is important to create a robust business model that can help to increase revenues and margins, both of which help to better absorb the fixed cost and expense characteristic of the services business. The transition from a services company to a services and products company is difficult, given the need for completely different capabilities. We believe we have been able to gradually transform our services focused company to a services and product company due to:

Clear strategic choices informed by insights from our services customer database: In extending our services brand equity into a complementary Personal Care Products portfolio, we have leveraged our understanding and insights of beauty and wellness regimes and need, to carefully select and target fast growing, underserved market opportunities where competition is limited or fragmented.

Our focus on underserved market opportunities with significant room for growth: We have sought to address a significant opportunity in face-care and skin brightening through our VLCC branded facial kits, which are sold both through retail channels and through our own VLCC Wellness Centers to meet the demand for consumers to get "salon professional" results at home in between salon services. We believe this is an opportunity that is under-served by the other skin care brands. We create demand for our retail products by offering professional, multi-use versions of the facial kits, through salon channels. Further, we focus on sun-care, rather than compete head to head with market leading fairness/whitening brands. In body care, we seek to leverage our brand equity in slimming and weight loss, to compete through anti-cellulite, firming and body shaping propositions, instead of more developed segments, such as body whitening and body moisturizing. Further, we drive trial purchases for our retail body care products through our slimming services. We believe nutrition management, functional foods and fortified foods are natural complements to our brand equity in slimming, health and fitness. These are product categories which we believe will grow as awareness and adoption of such products accelerates with rising health consciousness. We will continue to focus in these areas.

Substantial in-house capabilities across the product value chain: To support our product strategy, we have systematically developed in-house capabilities in product development, R&D, manufacturing, quality and marketing to create a dedicated, scalable, product centric organization. Our ISO 9001:2008 R&D capability has been augmented by our GVig, Singapore acquisition in September 2013 and through partnerships with R&D-focused wellness products and services organizations such as Caregen Co. Ltd., South Korea and Pritikin Longevity Center, USA. Our products are mostly manufactured in plants through our Subsidiaries in India and Singapore. We believe we have strong quality control processes and strong internal marketing capability. Arrangements with reputable design and advertising agencies and relevant media partners drive quality marketing and brand building across the products and the services business.

Access to future pipeline for expert, innovative products: GVig, Singapore has a portfolio of products including BelleWave™, SkinMTX™ and Enavose™. BelleWave™ that is distributed by third-party distributors across South East Asia, China, Hong Kong and Macau and is sold through beauty salons and spas. SkinMTX™, a professional derma range of skin care solutions, is distributed to medical professionals in Indonesia. Enavose™ is sold at retail

stores in Singapore. The opportunity to further build this portfolio in their existing markets and integrate this portfolio into India and the GCC Region is a likely growth opportunity that we will seek to explore in the future.

Attractive financial structure

Model with net negative working capital and with strong operating cash flows: We have a track record of significant expansion into new market segments as well as new geographies financed through cash generated from operations. Our business comprises a complementary mix of services offered by our VLCC Wellness Centers, where operations operate on negative working capital, and distribution of our Personal Care Products, which requires investment in working capital. This complementary working capital model enables simultaneous expansion of our network of VLCC Wellness Centers as well as our product range, while maintaining low levels of debt. Our consolidated negative working capital (current assets minus current liabilities) for Fiscal Years 2013, 2014 and 2015 was ₹ 595.58 million, ₹ 640.10 million and ₹ 606.95 million, respectively. Our cash flow from operations for Fiscal Years 2013, 2014 and 2015 was ₹ 836.68 million, ₹ 1,060.26 million and ₹ 866.63 million, respectively. Our capital expenditure on fixed assets, including capital advance for Fiscal Years 2013, 2014 and 2015, was ₹ 713.23 million, ₹ 861.33 million and ₹ 542.58 million, respectively. Consequently, our free cash flow (cash flow from operations less capital expenditure for fixed assets) has grown for Fiscal Years 2013, 2014 and 2015 at ₹ 123.45 million, ₹ 198.93 million and ₹ 324.05 million, respectively. We believe that this gives us an ability to expend and use our internally generated Funds for opportunistic inorganic growth in beauty and wellness industry.

Strategic leverage of tax incentives and strong contributions from low tax, overseas markets: Our manufacturing plant in India, owned by our Subsidiary company, VLCC Personal Care Limited enjoys location-based tax incentives, with excise duty fully exempted until August 24, 2019 and a 30% income tax exemption up to Fiscal Year 2019. In addition, a substantial portion of our revenues of our Subsidiaries located in GCC market have either nil or very low tax applied to their income. For Fiscal Year 2015, our revenue contribution from our Personal Care Products business in India and from business in the GCC Region was 24.74% and 29.78%, respectively. The tax benefits available to our Subsidiaries, which comprise 54.52% of our total consolidated revenue, give us an advantage to retain a part of our profits to invest in our future growth.

Diversified business mix, well balanced between India and international services; services and Personal Care Products business segments: The ratio of our services revenue from our VLCC Wellness Centers in India and overseas was 50.4: 49.6 in Fiscal Year 2015, while the ratio of our overall services and products business was 68.9:31.1 in the same period. We believe this enables us to mitigate market risks in terms of geographical diversification, helps deliver a more efficient tax structure, helps balance working capital needs between our services and Personal Care Products business and enables more efficient absorption of fixed cost services infrastructure with more rapid scaling driven by the Personal Care Products business.

Experienced Promoters and strong management capability

Our Promoters, Mrs. Vandana Luthra and Mr. Mukesh Luthra have more than 25 years and 18 years of experience, respectively, in the beauty and wellness industry. Our Promoters, together with our management team, have led our growth, executing a detailed strategy of selective international expansion and integrating new businesses while minimizing capital expenditure. We believe our vision and track record of growth has enabled us to successfully attract and retain high quality talent, with the requisite experience, as our business has grown and our talent needs have evolved. Our executive and operational management team comprises individuals with extensive and relevant experience in large companies and our senior management team members in India have worked at our Company for an average of eight years. We have also invested in creating a strong second line of management for our business segments. Our people have been our key asset in successfully building a sustainably growing, competitive, integrated products and service delivery platform.

STRATEGIES

Our goal is sustainable, competitive, profitable and responsible growth for the overall business, through a comprehensive strategy leveraging our category leading brand, our scale and our bespoke, integrated business model.

Accelerate growth of the products business

We have successfully expanded our VLCC brand from services to Personal Care Products. Our Personal Care Products business has grown at a CAGR of 38.06% between Fiscal Year 2011 and Fiscal Year 2015 and contributed 31.11% to the consolidated revenue from operations in Fiscal Year 2015, an increase from 26.54% in Fiscal Year 2014.

We will continue to innovate and drive differentiated products targeting underserved, fast growing market opportunities. Specifically, we will seek to:

Drive distribution and brand awareness to further scale our existing product portfolio: We will increase marketing investments, which we believe will benefit the entire business by further strengthening the VLCC master brand and leverage our existing scale and brand awareness to develop wider and deeper distribution channels.

Innovate Personal Care Products range: Our focus in the Personal Care Products category will remain on facial kits, sun care and body shaping products, which we will continue to develop. We will leverage GVig's expertise and partnerships to further develop and grow new segments, such as our anti-aging offerings, which we believe is highly relevant to our older, more affluent consumer segments, especially as follow-on products to our minimally invasive anti-aging treatments and procedures in our service centers.

Further drive product sales from own VLCC Wellness Centers: We will continue to build on cross-selling and up-selling opportunities for our products as a part of the consultation and package sales process, especially as a follow-on between services for advanced therapies and procedures.

Focus on developing the nutritional products portfolio: We will extend our current portfolio of functional and fortified foods, expanding our offerings in new opportunities such as dietary fiber supplements and nutraceutical products, which we believe is consistent with our core brand equity and philosophy as a “wellness from beauty” brand. This is an area where we expect significant market growth in the medium-term, which we intend to exploit and lead using our brand equity and our extensive network of wellness centers.

Set up a new manufacturing facility to increase production capacity: We will seek to set up a new manufacturing facility to increase our production capacity to accelerate growth of our products business. In addition, we also expect to receive certain tax benefits with respect to the new manufacturing facility we plan to set up. For details, see “Objects of the Offer” on page 94.

Continue to invest in and build R&D capability: We aim to leverage our insights from our exclusive customer database, with our existing R&D capability, which we will continue to build on with strategic partnerships, alliances, and acquisitions where appropriate. See “Competitive Strengths – Capability to identify and innovate a differentiated product portfolio.”

Capitalize on our experience in the GCC Region and explore new opportunities in untapped markets

We have the widest breadth of services offered among the participants who are present in the most of the countries in the GCC Region. (Source: F&S Report) Our revenue from the VLCC Wellness Center's services and Personal

Care Products in the GCC Region and Africa comprised 29.97% of consolidated total revenue from operations in Fiscal Year 2015 which is at a CAGR of 26.64% from Fiscal Year 2011. We believe the GCC Region and Africa are high potential markets for growth for our services and products. We believe our investments and our accumulated experience in navigating the various regulatory and compliance frameworks in the highly-regulated GCC Region will allow us to accelerate project implementation time and drive down costs as we expand in the region. We will also continue to explore organic and in-organic options to expand into markets such as Indonesia, leveraging our cumulative experience in the beauty and wellness industry.

Grow the VLCC wellness services business by attracting customers from the unorganized beauty and wellness services industry

As a well-known and trusted category-leading brand, we believe we are well placed to gain from the overall expansion of the wellness market. We operate across a broad range of wellness services and products with a comprehensive portfolio of services catering to a variety of customer segments with varying income profiles, through our extensive network of VLCC Wellness Centers, including in Tier I and Tier II cities, which we believe makes us well-positioned to attract consumers from the large unorganized sector as the market evolves.

Grow our geographical footprint: We will selectively expand the number of our centers in high growth Metropolitan cities and Tier I cities and leverage our existing scale in such markets to lower initial operating costs for new VLCC Wellness Centers. As awareness and demand grows in Tier II and Tier III cities, we will make our beauty and wellness services accessible in these areas through a franchisee model.

Leverage technology to develop and drive asset light models for “services on demand”: We aim to expand the accessibility of our wellness service offerings through a capital expenditure-light model in which we will provide wellness services in the privacy of a consumer’s home, with the aid of mobile applications and IT systems for bookings and consumer management.

Strive to lead market trends and innovation: To ensure that we constantly innovate and update our product and services portfolio as market needs evolve, we will leverage the insights from our exclusive consumer database and our perspectives from our international operations to bring new services and products, treatments, procedures and technologies to our portfolio.

Drive loyalty and higher share of spending from high potential customer segments by leveraging technology, while growing service margins and profitability

Our services business is largely a fixed expense model with high sensitivity to operating leverage. We believe extracting higher revenue from consumers, and improving asset utilization drives margins and profitability. To do this, we plan to leverage our exclusive database of customers, and their consumption habits in the industry, which is at the core of our bespoke integrated business model.

Continue to expand portfolio of high value services with value added, technologically advanced, premium services: We seek to leverage our consumer insights, and our exposure to leading trends and technologies from overseas markets, with an aim to lead innovation for high value services such as dermal cosmetology-based anti-aging procedures, fillers and peels as well as laser hair removal, and hair rejuvenation treatments and procedures. In addition, we are exploring opportunities to set up wellness centres on a residential model, to offer an expanded range of wellness services to consumers.

Invest further in upgrading our ERP System, CMS and analytics technologies: We aim to continue investing in technology to effectively, and quickly integrate consumer information across our operation, to further enhance our

ability to analyze, understand and serve consumers. For details of our proposed investment in technology infrastructure, see “*Objects of the Offer*” on page 94.

Identify and target high potential customer segments: We will strive to grow our share of consumer beauty and wellness spending, and increase revenue generation. We will continue to use our loyalty program, “VLCC Way of Life”, which has helped increase our share of revenue from customers who purchase packages of more than ₹ 50,000, from 30.60% in Fiscal Year 2013 to 45.81% in Fiscal Year 2015, while increasing the number of such customer by a CAGR of 19.33% between Fiscal Year 2013 and Fiscal Year 2015. We seek to focus on growing the numbers of such high-paying customers.

Grow revenue from services and Personal Care Products for professional channels, capitalizing on growth opportunities in the beauty and wellness industry

We believe the beauty and wellness industry presents attractive growth opportunities for our VLCC Institutes business and from sales of salon and our Personal Care Products.

Grow share of salon / professional channels: We believe this is a significant and growing market, with fragmented, largely local competition, as opposed to competition from multi-national corporations, except in the hair category which is dominated by a few international brands. (Source: F&S Report) We seek to continue to innovate and develop our offerings, focusing on the facial category, in which we have positioned ourselves as a leading participant (Source: F&S Report), and seek to extend the portfolio available to us via the GVig acquisition to extend our range and price coverage. Further, we will invest in building the sales and training infrastructure, which are synergistic with our VLCC Institutes and Centers, to penetrate further in the market to develop our share. See “—Access to future pipeline for expert, innovative products”.

Disciplined expansion into area complementary to our existing offering: While we continue to build our strong, well defined, core business with leadership economics, we will also look at expanding into complementary opportunity areas within the wellness domain, such as on-line nutrition counseling/advisory and residential longevity centers.

Grow our VLCC Institute business to meet anticipated demand without substantial investments or infrastructure costs: We work with the Central Government and State governments in India to support skill-building initiatives by providing training at our VLCC Institutes under various schemes and initiatives, such as the Skill Development Initiative Scheme with various State governments, the National Urban Livelihood Mission and the “Pradhan Mantri Kaushal Vikas Yojana” initiated by the NSDC and the Ministry of Skill Development and Entrepreneurship. We seek to build upon these existing agreements and opportunities to capitalize and develop our vocational education business, which we believe allows us to increase our geographic presence and brand visibility without substantial investment or infrastructure costs.

DESCRIPTION OF OPERATIONS

In the Indian beauty and wellness services market, we are a category leader with the leading market share and number of company owned outlets. We have presence across a wide spectrum of the beauty and wellness services value chain and Personal Care Product offering through our integrated platform. Since the opening of our first beauty and slimming wellness center in India in 1989, we believe that we have been pioneers in the development of the beauty and wellness industry in India. We have consistently expanded our offerings through additions of new and technologically advanced beauty and wellness services and products.

We estimate we have serviced over five million consumers (including repeat consumers) in the last 10 years alone, through our extensive network of VLCC Wellness Centers including 236 VLCC Wellness Centers in 122 cities in 11 countries across South Asia, South East Asia, the GCC Region and Africa. 187 of our VLCC Wellness Centers are

in India and 49 Wellness Centers are overseas. In addition, we offer 169 Personal Care Products distributed through over 72,000 retail outlets in India, apart from retail outlets in 19 other countries.

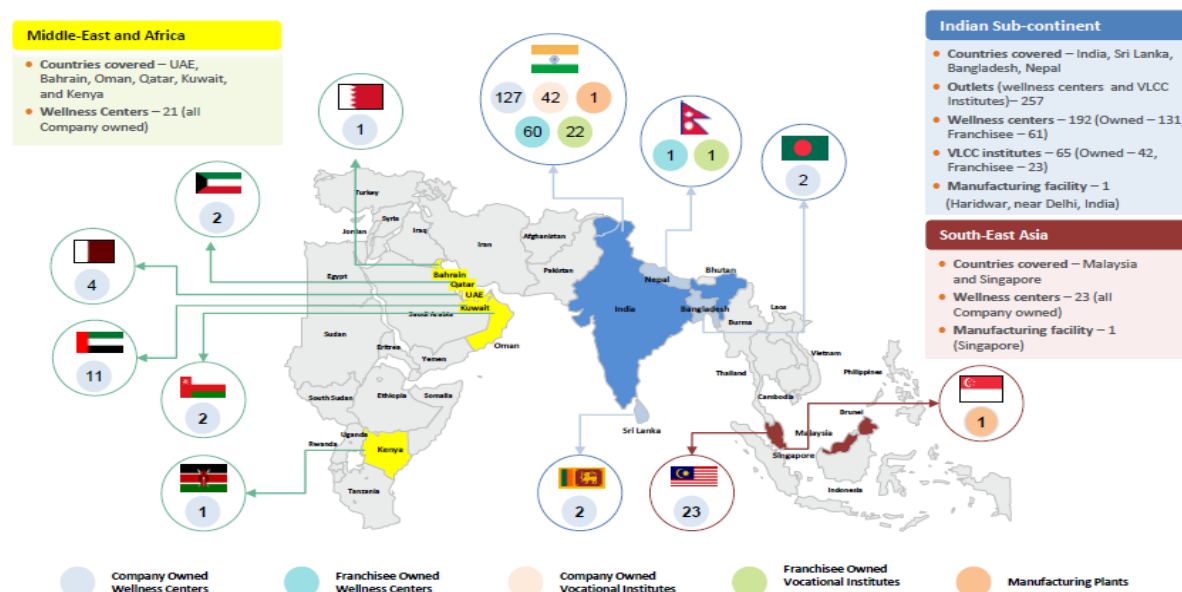
Our business segments are set forth in the diagram below.



Our integrated business model allows us to develop and take advantage of significant up-selling and cross-selling opportunities created by the dynamics of our three business segments: services, products and vocational education. See “*Competitive strengths — Bespoke integrated business model*” on page 152. In our beauty and wellness services business, we cross-sell between our beauty services and weight management services to our consumers and also up-sell high-end beauty treatments, all of which we offer under one roof.

Based on consumer data that we collect and analyze at our VLCC Wellness Centers, we conduct in-house research and development to develop products and formulations, and to manufacture and market our Personal Care Products for the retail market and professional channels. With our VLCC Institutes, we create a skilled and qualified pool of potential employees as well as a ready market for our Personal Care Products among our VLCC Institute alumni who trained with them while gaining their certification from the VLCC Institute. We believe our integrated business model is a source of sustainable competitive advantage.

The diagram set forth below illustrates our global footprint as of July 31, 2015.



VLCC Wellness Centers — Beauty and wellness services

Our beauty and wellness services include slimming services and beauty services, which are offered at our 236 VLCC Wellness Centers across 122 cities in 11 countries. These include weight management programs, beauty packages, skin and hair treatments, non-invasive and minimally-invasive dermatology procedures, laser hair reduction, regular salon services, spa therapies, physiotherapy, nail care, fitness programs, Ayurveda (Hindu traditional treatments) and therapeutic massage services. We incorporate the use of advanced equipment and treatment products to improve and enhance the condition and appearance of our customers' skin, hair and body. Our beauty professionals, nutrition counselors, physiotherapists, medical professionals and other specialists and sales staff at our VLCC Wellness Centers work closely with each customer to analyze each individual's needs to recommend the most appropriate treatments and personalize those treatments accordingly. Once the relevant service or treatment is completed, our therapists invite the customer to provide detailed feedback on the quality of our service or complete a designated customer feedback form available at all of our VLCC Wellness Centers.

Customer acquisition and retention: We adhere to a customer-centric, systematic approach for attracting new customers and winning repeat business from our existing consumer base. Our approach consists of five stages for customer acquisition and retention: marketing, initial consultation, enrollment/execution, completion/feedback and follow-up.

Marketing: We conduct marketing activities through various media, promotional events and internet channels to raise public awareness of our service offerings. Once prospective customers enquire about a treatment or service in person, by phone or through our website, we offer a free consultation to the customer on his or her first visit to our VLCC Wellness Center. We enter the customer's information into our CMS database which later helps us to thoroughly analyze the customer's preferences and purchase patterns.

Initial consultation: Our initial consultation called a "zero session" includes a holistic individualized assessment that is based on a "five protocol approach" which comprises: (i) a medical assessment and monitoring by specialists including medical professionals (both full-time and part-time); (ii) dietary counseling and meal planning by nutrition counselors; (iii) cosmetic and dermatological examination; (iv) a physical activity protocol by physiotherapists; and (v) lifestyle and behavioral modification mentoring by counselors. Based on the test results, including a Body

Composition Analysis (BCA) and professional assessments, we formulate a customized package of treatments that suit each consumer's needs.

Enrollment/execution: Once customers enroll in a package, our trained professional staff provides customized treatment with the objective of delivering tangible and noticeable results and engages customers to address any outstanding issues and recommend other solutions that we offer.

Completion/feedback: We request post-treatment feedback from customers once they complete their service packages. Based on the feedback received, our staff recommends ancillary offerings (our wellness services or Personal Care Products). Customer feedback received at the VLCC Wellness Center-level also enables us to assess and improve the quality of our offerings.

Follow-up: Customers who are added to our database receive updates on promotions and new services or Personal Care Products on a periodic basis. Our marketing team follows up with each customer to encourage their return for the same treatment or recommends other service offerings. We launched our "Way of Life" loyalty program in 2006, which through a reward-point based system, incentivizes customers to repeat their purchase at our VLCC Wellness Centers.

Site selection process

We have strict selection standards for the locations of our VLCC Wellness Centers. These include: (i) the traffic level, profile and visibility of the location; (ii) local demographics and spending patterns; (iii) the existence of a centralized shopping area; and (iv) the suitability of the location to our VLCC brand. Our regional operational teams shortlist locations for new centers with our projects team assessing the site for technical suitability. One member of our senior management from our corporate office then visits the shortlisted sites, reviews the business potential based on the nearby locality and foot traffic and finalizes the memorandum of understanding with the relevant lessor as per our standard form contract. Thereafter, in some cases, we commission third party experts to conduct legal due diligence to minimize disruptions to our operations over the term of the agreement. Following these clearances, we execute a lease agreement for a period of between five to nine years, generally, with no option for the lessor to terminate except in case on non-payment of rentals.

VLCC Wellness Centers in India

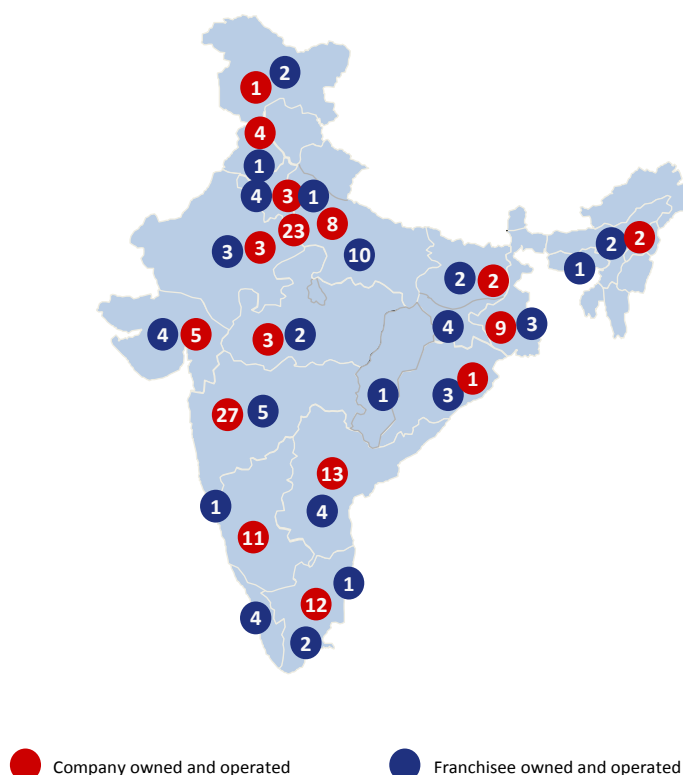
We have expanded our operations to 187 VLCC Wellness Centers in India as of July 31, 2015, of which 127 were Company-owned and operated and 60 were franchised. Our 187 VLCC Wellness Centers in India are strategically located throughout the country to serve consumers. While Company-owned and operated VLCC Wellness Centers are primarily located in Metropolitan cities, Tier I and Tier II cities, our franchisees operate mostly in Tier II and Tier III cities of India. With respect to the franchisee-operated VLCC Wellness Centers, we receive sign-up fees and royalty income from the franchisees, which we record as revenue from operations.

The following table sets forth the regional and tier-wise distribution of our VLCC Wellness Centers as of July 31, 2015:

Tier-wise City – India	Number of Wellness Centers	Region in India	Number of Wellness Centers
Metropolitan cities	63	North Region	69
Tier I	31	South Region	46
Tier II	72	East Region	30
Tier III	21	West Region	42
Total Wellness Centers in India	187	Total Wellness Centers in India	187

The number of VLCC Wellness Centers in India (excluding Nepal) has grown from 155 as of April 1, 2012 to 187 as of July 31, 2015. VLCC Wellness Centers include our VLCC beauty, slimming and fitness centers, VLCC day spas and VLCC salons. We open new VLCC Centers pursuant to a strict site selection process and also relocate existing centers for reasons including expiry of lease and availability of better or economical lease terms in the same area. For example, in Fiscal Year 2015, we opened 24 centers in India (which included new centers as well relocation of few of our existing centers) and closed two centers based on performance.

As of July 31, 2015, these VLCC Wellness Centers were present across regions and States in India as illustrated in the following map:



Our revenue streams at company-owned and managed VLCC Wellness Centers for beauty, slimming and fitness services consist of the following:

Revenue from sales of slimming and beauty packages to consumers.

For services provided through packages, consumers must visit a VLCC Wellness Center for a series of consultation and/or therapy sessions to achieve the desired results. Revenue from sale of packages (slimming and beauty) comprised 75.98% of our revenue from operations at VLCC Wellness Centers in India in Fiscal Year 2015. Generally the average ticket size for packages is larger than for a single session of regular beauty services. In our business, ticket size depends on the size of packages booked by a consumer as well as increases in the prices of our services. The increase in our average ticket size has been much higher than the increase in our average price for packages and treatments, as we have been steadily changing our service offering mix to include more high-value offerings and focusing our sales efforts on consumers of these high-value offerings. We receive payment in advance from our consumers for packages resulting in negative working capital. For accounting purposes, we recognize the revenue over the period of the packages and accordingly defer our revenue. See “*Management’s Discussion and Analysis of Results of Financial Condition and Results of Operations – Critical accounting policies*” on page 247.

Revenue from sales of single-session beauty services.

Revenue from sales of beauty services typically includes facials, make-up application, hair coloring, pedicures, manicures and other regular beauty salon services which are usually delivered in a single session/sitting. Revenue from sale of beauty services (single session) comprised 17.84% of our revenue from operations at our VLCC Wellness Centers in India in Fiscal Year 2015.

Sales of Personal Care Products.

We sell our Personal Care Products as home-care kits along with our packages and also sell them along with services, which constituted approximately 6.18% of our revenue from operations at our VLCC Wellness Centers in India in Fiscal Year 2015. We have also integrated our Singapore-based products business with our wellness services business across geographies by using GVig's premium *BelleWave*™ and *SkinMTX*™ range of skin-care lines manufactured in Singapore for treatments and therapies in our VLCC Wellness Centers as well as selling them from these centers as home-care kits at premium price point.

The following table sets forth the typical arrangements for Company-owned VLCC Wellness Centers in India.

Particulars	Details
Cities	Primarily Metropolitan cities, Tier I and Tier II
Area	Approximately 2,500-4,000 square feet (average 3,083 square feet)
Location	Near residential areas and main market places
Lease Period	Five to nine years (with only the Company having option to terminate before the term period for no reason and the lessor having the right to terminate on account of non-payment of rent)
Staff	On average 20 employees, including therapists, nutrition counselors, beauticians, hair stylists, part-time doctors, cosmetologists and managers

The following table sets forth the typical arrangements for VLCC Wellness Centers and salons in India under the franchisee model.

Particulars	Details
Cities	Primarily Tier II and Tier III
Commercial arrangements	Sign-up fee of ₹ 1.0 million to ₹ 1.5 million and revenue sharing ranging from 12% to 17% of monthly revenue depending on size and potential of area
Term	Five years – with a non-compete covenant of two years post termination
VLCC support	Renewable after five years for additional three years on payment of renewal fees to VLCC Training, marketing and offering expertise, manuals and quality audits

In addition to arrangements whereby our VLCC Wellness Centers are franchised primarily in Tier II and Tier III cities, we have also entered into certain arrangements whereby we provide franchisee services to other companies and entities. For instance, Pritikin Organization, LLC has, pursuant to a master franchise agreement, granted us an exclusive franchise to establish, manage, promote and invest capital for the development of Pritikin Longevity Center & Spas (“**Pritikin**”) residential facilities in India. As of July 31, 2015, we had established one wellness center in New Delhi, India based on Pritikin's model but which is not a residential center.

VLCC Wellness Centers in the GCC Region, South East Asia and Africa

Out of our revenue from VLCC Wellness Centers located internationally, the share of revenue from VLCC Wellness Centers in GCC countries is largest at 78.86% of our total revenue from wellness centers operating internationally in Fiscal Year 2015. The share of wellness centers in Malaysia, Bangladesh, Sri Lanka, and Kenya, as percentage of revenues derived from our international wellness centers is 16.64%, 3.03%, 0.89%, 0.59%, respectively, in Fiscal Year 2015.

The table below sets forth the breakdown of our international VLCC Wellness Centers by location as of July 31, 2015.

	Number of VLCC Wellness Centers
UAE	11
Qatar	4
Oman.....	2
Bahrain.....	2
Kuwait.....	1
Bangladesh.....	2
Sri Lanka.....	2
Malaysia.....	23
Nepal.....	1
Kenya.....	1
Total⁽¹⁾	49

Note:

⁽¹⁾ All of our wellness centers in the international market operate under the VLCC brand except for our Malaysian wellness centers which operate under the Bizzy Body™ and Facial First™ brands owned by our Subsidiary company, Wyann.

We commenced our international operations in December 2005 with the opening of first VLCC Wellness Center in Dubai, UAE. We continue to believe that the high levels of obesity, high per capita income and relative brand recognition of the VLCC brand among the Indian diaspora in the GCC Region make it an attractive destination for our business expansion. In our first year of operation in UAE through our Subsidiary VLCC International LLC, we recorded positive profit after tax. We have since expanded our presence across the UAE and, as of July 31, 2015, added locations in Sharjah, Abu Dhabi, Al Ain and Ras Al-Khaimah in addition to Dubai. Further expanding to other countries in the GCC Region, we began operations in Oman in April 2008, Bahrain in November 2008, Qatar in January 2011 and Kuwait in July 2014. Our International expansion also includes one VLCC Wellness center in Nairobi, Kenya, which opened in Fiscal Year 2015 with our joint venture partner, Yana Investments Limited, who owns a 30% stake in our Subsidiary, VLCC Wellness (East Africa) Limited.

The consumers of our services in the GCC Region now are largely local and expatriate Arabs, followed by Asian consumers, demonstrating the acceptance that the VLCC brand has gained in demographics outside of the Indian diaspora in the GCC Region.

In Fiscal Year 2015, we opened four VLCC Wellness Centers internationally. The number of our international VLCC Wellness Centers has increased from 20 as of April 1, 2012 to 49 as of July 31, 2015. We have built on our successful record of expansion through both organic growth and through acquisitions of complementary businesses. While we have expanded our business in the GCC Region through organic growth, we have pursued inorganic growth in the South East Asia region over the past few years. In October 2012, we acquired a majority share in a Malaysian company, Wyann, which operates wellness centers in Malaysia under two different brands: *BizzyBody*™ for weight loss programs and *Facial First*™ for beauty treatments. As of July 31, 2015, we had 23 Wellness Centers operating in Malaysia. Ms. Yap Yann Fang, the founder of Wyann continues to hold a 24% stake in Wyann and

oversees the day-to-day management of the business under our corporate management team's guidance and supervision.

The following table sets forth the typical arrangements for our VLCC Wellness Centers in the GCC Region and East Africa.

Particulars	Details
Area	Approximately 5,356 square feet Separate areas for males and females in the GCC Region
Location	Majority in high streets and busy market areas /malls
Lease Period	Five years – extendable
Staff	On average 29 employees, including therapists, nutrition counselors, beauticians, hair stylists, part-time medical professionals, cosmetologists and managers

We have presence in Malaysia since our acquisition of majority stake of Wyann in Fiscal Year 2013 and have 23 Wellness Centers as of July 31, 2015. We have integrated our operations with Wyann.

The following table sets forth the typical arrangements for our VLCC Wellness Centers in Malaysia.

Particulars	Details
Area	Approximately 1,993 square feet
Location	Majority in malls and busy market areas
Lease Period	Five years – extendable
Staff	On average eight employees—majority are cosmetologists, therapists and nutrition counselors

VLCC Institutes

As of July 31, 2015, we operated 65 VLCC Institutes, comprising 64 institutes across India and one in Nepal, of which 42 are Company-owned and managed and 23 were franchisee-operated. Revenue from our VLCC Institutes comprised 4.60% of our total revenue during Fiscal Year 2015. We believe our VLCC Institutes provide significant cross-selling opportunities, as we are a major supplier of trained personnel in the Indian beauty industry and we train our graduates with VLCC branded Personal Care Products. We offer entry level and skills enhancement beauty courses and nutrition courses. The long-term, short-term, certificate-based and correspondence courses offered by VLCC Institutes range across the beauty and wellness field, including cosmetology courses, skin-care courses, hair-care courses, makeup courses, nutrition courses, clinical nutrition, sports and fitness nutrition and child care nutrition. We trained 10,574 students in Fiscal Year 2015 at VLCC Institutes, compared to 9,989 students in Fiscal Year 2014.

VLCC Institute was awarded “Best Vocational Training Institute” in 2012, “Beauty Training School of the Year” in 2013 and “Most Impactful PPP initiative in Skill Development” in 2014 at the Indian Education Awards ceremony organized by Franchise India Holdings. We have won the India Didactics Association (“**IDA**”) award for “Excellence in Product and Solution in Vocational Education and Training” in 2013. We have also been awarded “Best Creative Resource Supplier” by the Indian Salon Congress for the last four consecutive years.

We also work with the Central Government and various State governments in India to support their skill-building initiatives by providing training at our VLCC Institutes under various schemes and initiatives. For instance, we are presently registered as a vocational training provider under the Skill Development Initiative Scheme with various State governments for providing training at our VLCC Institutes including those located at Noida, Dwarka, Faridabad, Howarah, Faridabad and Kohima. We have trained students under the Skill Development Initiative scheme under the Ministry of Labour and Employment in the states of Arunachal Pradesh, Nagaland and Mizoram. With the introduction of the National Urban Livelihood Mission by the Ministry of Housing and Urban Poverty Alleviation of India, we also trained students in Uttarakhand, Jharkhand and Chandigarh. In addition, we trained students under “Hunar Se Rozgar Tak”, a skill development program of the Ministry of Tourism in Punjab through the Punjab Heritage and Tourism Promotion Board. We are empanelled with the Beauty & Wellness Sector Skill Council and represent the industry in the capacity of a governing council member. Through this Sector Skill

Council, we are actively involved in standardization of qualification packs and national occupational standards for the beauty and wellness industry. Pursuant to initiatives of this Sector Skill Council, we have trained students under the National Skill certification and Monetary Reward scheme (branded as the “**STAR scheme**”) promoted by NSDC during the last Fiscal Year. We also trained students under the “Pradhan Mantri Kaushal Vikas Yojana”, an initiative of the NSDC and the Ministry of Skill Development and Entrepreneurship. We have also signed a memorandum of understanding with the Ministry of Minority Affairs to train students in States of Gujarat, Rajasthan, Uttar Pradesh, Arunachal Pradesh and Nagaland.

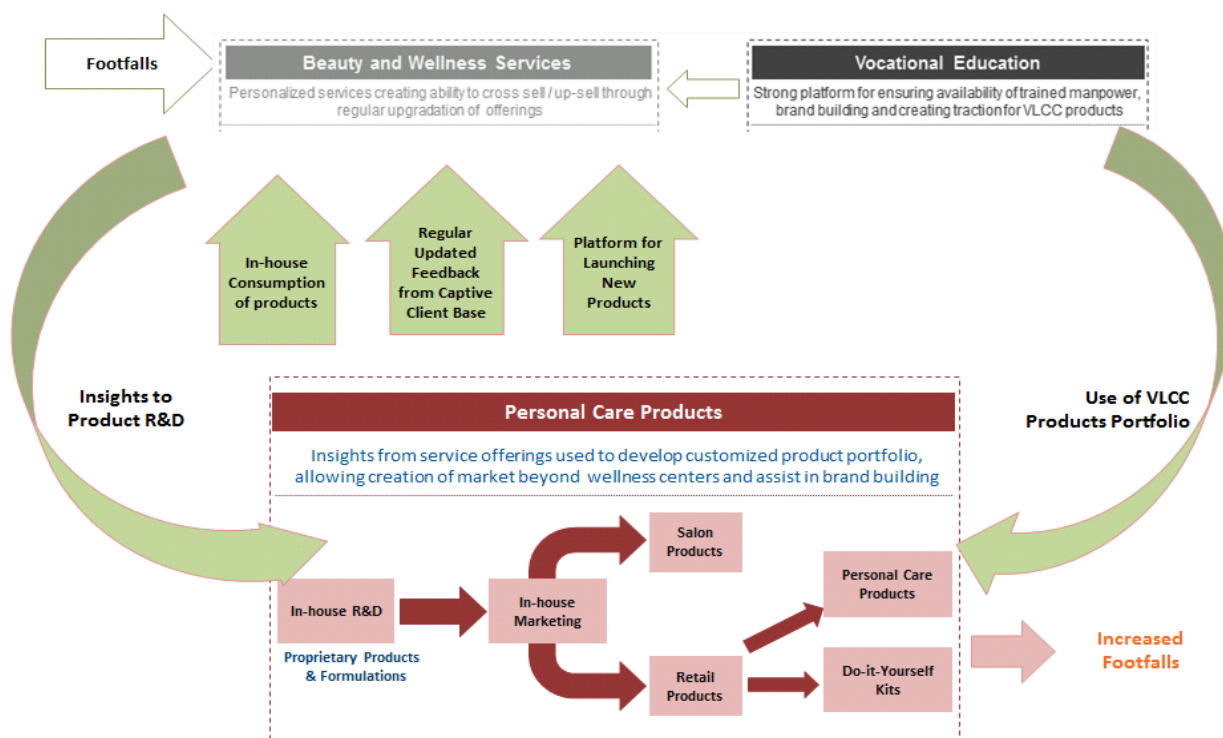
Product Business

We operate our products business through our Subsidiary, VLCC Personal Care Limited in India as well as through our Subsidiary, GVig in Singapore, which we acquired in September 2013. Our Personal Care Products include approximately 158 products we manufactured in India and 11 third party manufactured products for skin care, hair care, body care and functional foods, sold through over 72,000 retail outlets in India through our over 390 distributors. We also have distribution channels internationally. Sales of products through our wellness centers and our VLCC Institutes accounted for 10.32% of our total Personal Care Product sales for Fiscal Year 2015. The remainder of our products is sold through other distribution channels. Our Subsidiary in Singapore manufactures skin-care and other Personal Care Products and has distribution arrangements for sales across South East Asia.

Our principal categories of product offerings under the VLCC brand include the following:

- (i) Skin-care products comprise sun protection products, anti-aging products and skin whitening products.
- (ii) Facial-care products comprise single use facial kits and multiple use salon kits.
- (iii) Slimming and weight-management products comprise anti-cellulite products and massage oils and gels.
- (iv) Functional foods comprise dietary fiber supplements, muesli, fortified honey, herbal infusions and similar products.

Our Personal Care Products enjoy high level of retail brand awareness and acceptance and professional advocacy by trained VLCC Wellness Center staff and VLCC Institute graduates. We have successfully built a diversified revenue base of trusted and established products under the VLCC brand with a high level of visibility among service-providing professionals and consumers in their respective wellness categories. The integration of our products business with our services business is summarized below and is a key differentiator compared to any other large product player in the wellness space:



GVig, through its subsidiaries in Singapore, manufactures and sells skin-care and other Personal Care Products. GVig has partnered with a Swiss firm, which supplies bulk materials formulated for GVig and has research and development expertise. GVig's main brands are *BelleWave™*, *SkinMTX™* and *Enavose™*, which are distributed across Asia. *BelleWave™* products are distributed by third party distributors through agreements in Indonesia, Vietnam, Malaysia, China and Taiwan in addition to an agreement in Hong Kong and Macau and sold from beauty salons and spas in these countries. *SkinMTX™*, which is a premium range of skin care solutions, is distributed to doctors in Indonesia whereas *Enavose™* is sold at retail stores in Singapore.

Brand building of our beauty and wellness services and products

To strengthen our position in the beauty and wellness industry, we undertake extensive sales and marketing to promote our brand on a continuous basis. These activities are integral to creating, maintaining and enhancing brand visibility and correspondingly to create, sustain and enhance our market share in the industry. We drive our marketing initiatives through omni-channel media, through mass communications channels such as television, press, radio, cinema and the internet as well as by way of discounts to employees with corporate packages. We also market our Personal Care Products through a variety of popular retail channels to enhance our brand visibility and outreach to consumers. We have increased advertising and publicity expense (other than sales promotion expense) in India incurred by our Personal Care Products business, operated under VLCC Personal Care Limited from ₹ 156.59 million in Fiscal Year 2014 to ₹ 231.65 million in Fiscal Year 2015 to drive expansion of our distribution base.

We work with reputable advertising and media buying agencies such as JWT, Grey Worldwide and Havas Media, to develop marketing campaigns and drive initiatives on brand positioning and visibility.

Sales and service network

Our VLCC Wellness Centers are currently present in 11 countries across Asia, the GCC Region and Africa, namely India, Nepal, Sri Lanka, Bangladesh, the UAE, Bahrain, Oman, Qatar, Kuwait, Malaysia and Kenya. We are

operating through our Subsidiaries in the GCC Region and South East Asian markets, which we believe offer significant potential for our wellness services and products and exhibit similar underlying characteristics as our other existing markets, such as rising beauty and wellness spending, increasing life expectancy and a strong emphasis on brands as a proxy for quality and reliability.

The breadth of our portfolio of wellness services and products in each country varies as a result of the length of time we have operated a particular business segment in a particular country, the development of our specialty sales force within each business segment and the registration process required to obtain approval for our products in each country. For our products business, while our approach to expansion of distribution channels varies depending on the specific market opportunity, we typically enter a new geographic market through a distributorship model to leverage our distributor's local market knowledge and existing relationships. Our Personal Care Products are sold through various channels including international retail outlets, neighborhood retailers, pharmacies, professional salons, third party online channels, teleshopping and direct sales to institutional clients.

Manufacturing

Facilities

All of our Personal Care Products, except 11 products, are manufactured in our two GMP-certified facilities in India and Singapore, operated by our Subsidiaries VLCC Personal Care Limited and GVig respectively. Since we manufacture the majority of our Personal Care Products in-house, we believe we are able to ensure quality control and benefit from economies of scale. We have made, and continue to make, significant investments in our manufacturing facilities.

The following tables set forth the specifications of our manufacturing facilities.

Haridwar, India

Installed capacity.....	Approximately 50 million units
Key facilities	Quality control lab, packaging area, bulk manufacturing area, warehouse
Capacity utilization	Approximately 28% in Fiscal Year 2015, 21% in Fiscal Year 2014 and 28% in Fiscal Year 2013
Area allocated.....	Approximately 77,500 square feet
Area utilized for the plant	Approximately 48,000 square feet
Production capabilities	Oils, gels, creams, lotions, powders in bottles, tubes, jars and sachets

Singapore

Installed capacity.....	Approximately 3.64 million units
Key facilities	Quality control lab, packaging area, bulk manufacturing area, warehouse
Capacity utilization	Approximately 34% in Fiscal Year 2015, 27% in Fiscal Year 2014 and 24% in Fiscal Year 2013
Area allocated.....	Approximately 470 square meters
Area utilized for the plant...	Approximately 165 square meters
Production capabilities	Oils, gels, creams, lotions, powders in bottles, tubes, jars and sachets

Our Indian manufacturing facility has been established at Plot No. 11, 12, Sector 6A, Industrial Area, Ranipur, Haridwar (“**Haridwar Facility**”), pursuant to a lease granted by the State Industrial Development Corporation of Uttaranchal Limited to VPCL, our Subsidiary, for 90 years effective from March 22, 2006 for the manufacture of Ayurvedic and medicament cosmetic products and allied and ancillary activities. For details of approvals in relation to our manufacturing facilities, see “*Government and Other Approvals – Business Approvals – Manufacturing units*” on page 286.

Our Haridwar Facility is GMP-certified and comprises bulk manufacturing area, a quality control laboratory, packaging area, administrative block and a warehouse. Our manufacturing capabilities span the range of solid, cream, ointment, liquid and edible formulations. During Fiscal Year 2015, our manufacturing capacity utilization was approximately 28%. This facility is fully exempt from Central Government excise tax up to August 24, 2019, which is 10 years from the start of the commercial production date of August 25, 2009. This facility also had 100% income tax exemption until Fiscal Year 2014 and now has 30% income tax exemption up to Fiscal Year 2019.

Our Singapore facility, acquired pursuant to our acquisition of GVig, is GMP-certified and has a state of the art in-house research and development laboratory, production, quality control and packaging area.

Third party manufacturing arrangements

We also procure through third party manufacturing arrangements 11 products, such as VLCC Kajal and functional foods including the VLCC *Slimmer's*TM range of honey, muesli, tea and stevia herbal sweetener. GVig also has a bulk manufacturing and formulation development agreement for Personal Care Products with a Swiss firm.

Quality control

Our quality control and assurance programs are designed to enable us to maintain compliance with all applicable governmental mandates regarding the safe manufacture of Personal Care Products and foods. Quality control policies and procedures are enforced and monitored at all of our manufacturing plants. We have successfully undergone the quality audit for ISO 9001:2008 at our research and development laboratory and received confirmation and our registration certificate from relevant authorities. Our Haridwar Facility and Singapore Facility are GMP certified.

We follow a process-driven approach for our product testing practices. Our product development begins with a detailed testing of raw materials in accordance with national and international pharmacopoeia norms including those of India, Britain, the U.S. as well as the Ayurvedic Pharmacopoeia of India. We test raw materials on both the formulation development stage at the research and development level and on the commercial production stage at the factory level. We follow and monitor standard operating and testing procedures that are consistent with Indian standards for cosmetic products (finished goods). Our products also undergo stability studies based on the International Conference on Harmonisation Guidance, accelerated stability studies and real-time stability studies to ascertain the shelf life of our products in addition to microbiological analysis to ensure usage safety of our products. Control samples from each batch of production are stored and maintained to serve as reference samples for any future cross-checking or referencing. We have also received an ISO 14001:2004 certification for our Ayurvedic/herbal hair care, skin care and body care products,

We have received ISO 9001:2008 certification for the design, management and control service to centers for providing slimming, fitness and beauty services. We have a stringent quality monitoring system at our VLCC Wellness Centers. We have periodic reporting systems of key performance indicators relating to delivery of services to consumers, such as the number of sessions provided, success rates, weight loss and net promoter score (a management tool we use to gauge the loyalty of our customer relationships). Many of these reports are generated by our software, which removes biases and minimizes error. Based on the reports, our technical team at the VLCC Wellness Centers-, regional- or corporate level, takes necessary action to provide an enhanced quality experience to our consumers. We also incentivize our operating teams at our VLCC Wellness Centers based on the quality of service they provide to their consumers and, where necessary, take corrective action to improve ongoing quality of service.

We also recognize the importance of quality control in our franchisee-owned VLCC Wellness Centers in Tier II and Tier III cities. We provide our own CMS software to franchisee VLCC Wellness Centers, which captures all information of the consumers and the execution of services provided to them. Our teams regularly visit franchisee-

owned centers and monitor the quality of their services through observation and training, meeting with consumers, review of data collected by the CMS software and other similar methods.

Internal control system

We have appointed reputable audit firms to review our internal control systems and receive internal audits by such firms from time to time. In Fiscal Year 2015, the internal audit of VLCC Wellness Centers in India and the GCC Region and our factory and warehouse operations was conducted by M/s Mazars, a large international audit and consulting firm. We also have an in-house regional finance team across the country, which in addition to their regular accounting and compliance functions, is also responsible for monitoring and auditing the various functions of our VLCC Wellness Centers and the inventory of Personal Care Products. We have also instituted a system of reconciliation of sales with the amounts deposited in banks. In addition, we have created an interlinked incentive structure for our employees, whereby employees are paid incentive bonuses based on cross-functional parameters. For example, employees may be paid incentive bonuses on the profits at each outlet, sales achieved and the execution and delivery of services. We believe this interlinked incentive structure helps us reduce the risk of revenue leakage at our VLCC Wellness Centers. We have also designed our client record system for package treatments such that full payment details are entered on the outside page, thereby reducing the risk of leakage as clients monitor the execution and payment record upon each subsequent visit. We also have an audit committee, which reviews our internal systems regularly.

Delivery and warehousing

We, through our Subsidiary company, VLCC Personal Care Limited, have warehouse operations at Haridwar, India on a lease basis. Cartons and packages filled with finished goods are stacked and stored in these warehouses for transport to clearing and forwarding locations in different states of India. We also have logistics agreements with courier companies for distribution of our products across the country. From the clearing and forwarding locations, goods are generally picked up by the distributors across the country and also warehoused by them at their own cost. We also have a warehouse in Dubai to distribute goods across the GCC Region. These goods are then warehoused and distributed by distributors in each respective country in the GCC Region. We also have a warehouse in Singapore to distribute GVig products to distributors across South East Asia.

Distribution

As of July 31, 2015, 169 VLCC Personal Care Products were distributed to over 72,000 outlets in India with access to general trade, pharmacies as well as modern trade retail shops. In the GCC Region, our products are available at large retail chains. As of July 31, 2015, we had a total of over 390 distributors in India. In each of the international markets in which we operate, we typically have one distributor for each country to market and sell our Personal Care Products to salons, spas and retail outlets.

Pricing

We believe that price is an important competitive factor for all our business segments. Our revenue growth also depends on our ability to correctly price our products and services. We aim to manage the pricing of our products and services for both new and existing consumers across our various business segments to provide consumers with quality products and services at an attractive price, while seeking to maximize the long-term value of our consumer base. Pricing within our Personal Care Products is principally determined by our target consumer profile and our competitors' pricing. For our VLCC Wellness Centers in India, we have different price structures based on the location of the center. We review our price structure periodically and adjust the price depending on various factors including capacity utilization, target consumer profile and pricing of our competitors.

We believe our pricing is very competitive in the market and consumer feedback and proprietary data we collect from our VLCC Wellness Centers allow us to closely monitor consumer spending trends and quickly adjust our pricing if necessary.

Raw materials and packaging materials

The primary raw materials for our Personal Care Products consist of herbal extracts, active ingredients, essential oils, perfumes, blend oils, preservatives, colors and base chemicals. The supply and demand of these materials are driven by standard commodity market dynamics. Our four primary packaging materials are plastic bottles, plastic jars, plastic tubes and laminates. Due to our size and the growth opportunities of our suppliers along with the growth of our business, we are typically able to negotiate more favorable prices and terms than our smaller competitors. Contracts are negotiated periodically for raw materials and primary packaging materials, based on our sales trends.

The majority of our raw materials and packaging materials are purchased on a centralized basis. We believe the scale of our operations has enabled us to negotiate attractive terms with our suppliers. We have strong relationships with the majority of the suppliers and have not faced any challenges in supply or quality of supplies in the past. However, we are constantly expanding our list of trusted vendors and searching for alternative materials to optimize costs in addition to transacting directly with the principal suppliers to avoid sourcing of important raw materials through intermediary distributors.

Delivery infrastructure for wellness services and Personal Care Products business

We believe we operate a unique wellness center format in the beauty and wellness industry, which has been successful in diverse geographic and demographic markets. For example, in India, our wellness center locations range from Delhi and other Metropolitan cities to suburban areas including Ahmednagar, Vijayawada, Guwahati, Jammu, Muzaffarpur, Bilaspur, Ghaziabad and Noida. Our VLCC Wellness Centers, which vary in size by market and are approximately 2,500 to 4,000 square feet, carry a broad selection of VLCC Personal Care Products and are staffed by highly experienced and knowledgeable staff who is able to educate our consumers about product features and assist in product selection. Our 187 VLCC Wellness Centers in India are strategically located throughout the country. All Company-owned and operated VLCC Wellness Centers are located in Metropolitan cities and Tier I and Tier II cities, while our franchisees operate primarily in Tier II and Tier III cities.

We both operate our wellness centres and sell our Personal Care products in UAE, Bahrain, Oman, Qatar, Kuwait, Kenya, India, Sri Lanka, Bangladesh, Nepal and Malaysia. We also sell our Personal Care Products in Australia, South Africa, New Zealand, United States, Canada, Netherlands, Hungary, Tanzania, Pakistan, Mauritius, Bhutan, Thailand, Singapore, Indonesia and Saudi Arabia.

We enter into arrangements with clearing and forwarding agents and distributors on a routine basis to help facilitate the storage and distribution of our Personal Care Products. Such arrangements are typically non-exclusive and with respect to a certain region or territory where such clearing and forwarding agents or distributors operate. Our products are supplied to clearing and forwarding agents based on demand in that region or territory, and these products are then sold to distributors, dealers, wholesalers and our VLCC Wellness Centers and VLCC Institutes. Pursuant to our distribution agreements, our Personal Care Products are supplied to distributors as per orders they place from time to time, subsequent to which they market and sell our products to retailers.

Research and development

We engage in a variety of research and development activities and continue to invest significantly in our new services and products development. These activities principally involve the development of new products, improvement in the quality of existing products, improvement and modernization of production processes and the development and implementation of new technologies to enhance the quality and value of both current and proposed product lines. We have established an ISO 9001:2008 certified R&D unit with a dedicated team at our corporate office. We also have teams of experts at both our Corporate Office and at VLCC Wellness Centers that research, develop and conduct quality tests on beauty and wellness services and products. These teams have extensive relevant experience of development in this field. Our research and development team seeks to develop a variety of technological platforms that have applications across multiple products.

These teams are responsible for, among other things, performing quality testing on our products and services and developing new technologies and processes. Through our Subsidiary, GVig, we also have a partnership with a research and manufacturing Swiss firm for bulk-manufacturing and formulation development of high-end skin care products.

Our research and development efforts and expertise have enabled us to successfully develop and introduce innovative and effective services and products to our consumers. We believe our *Shape Up*TM line and *VLCC Slimmer's*TM products, despite their relatively short history, have generated significant word of mouth referrals and an increased consumer base. In 2014, we launched a DNA-based program which offers scientific solutions to weight-management issues based on testing and an analysis of an individual's DNA.

Competition

As a diversified, category leader in the beauty and wellness services industry by market share (*Source: F&S Report*) we have a comprehensive repertoire of beauty and wellness services ranging from routine beauty services to value added, high technology, premium weight management and dermal cosmetology treatments and procedures.

In the beauty and wellness services business in India, our primary competition is local and regional chains. We regard the large, unorganized sector and such local and regional semi organized players as our primary competition and source of growth, from whom we capture consumers to a substantially superior offering at a premium price.

We are also often compared with other companies in the beauty and fitness industry, most of which are focused on narrow segments or niches in the market, offering some of the services that we provide. Among key organized participants in the industry, we have the most diversified portfolio and presence in all segments. (*Source: F&S Report*)

In the products business, in the professional segment, given our focus on skincare, our competition is largely Indian brands such as Shahnaz Husain and Lotus Herbals and a plethora of small, imported brands with niche presence.

In the retail products segment, given our strategy to focus on under-served, fast growing niche opportunities, we do not directly compete with any of the incumbent multinational brands, which tend to focus on high volume, center of market segments.

Information technology

We recognize the importance and benefits of information technology in our industry and have invested in maintaining reliable and advanced information technology systems to improve our operations and efficiency. We implemented ERP software Microsoft Navision in Fiscal Year 2012 for our Personal Care Products business, covering all functions including production and procurement planning, sales accounting and financial management. We have also begun implementing the use of a sales force automation software for our Personal Care Products business in India, which will help us in gathering outlet reach, secondary sales and inventory data on a live basis and aid us in planning our marketing expenditures in a more market-focused approach.

We have also implemented ERP Microsoft Navision for our VLCC Institutes in India as well as in our wellness centers business in Malaysia.

We are using a customized, front-end software called "CMS" at all our VLCC Wellness Centers in India and the GCC Region, with front-end sales fully integrated with our back-end software. This software was developed over ten years ago by a third party in line with our requirements. We receive data daily from this software at the corporate level and generate various reports which are required for analysis, customer relationship management and financial reports.

Insurance

Our insurance currently includes coverage relating to standard fire and special risks such as burglary, damage to properties caused by fire, lightning or explosion, physical loss or damage to project property works as well as relating to professional liability and product liability. We have insurance coverage for cash in safe, fidelity, cash in transit, stock in transit, public liability insurance for customer claims and loss of profit as well as a medical insurance policy for our employees who are not already covered by the Employees' State Insurance in India. We also have key man insurance coverage for our Promoters as well as a director's and officers' policy for any liability

for our directors and senior management. We believe that our existing insurance coverage is adequate and that our existing insurance coverage is generally in line with international and industry standards in India.

Employees

As of July 31, 2015, we had 4,175 employees, of which 2,778 were employees of our Company and the remainder were employees of our Subsidiaries. We seek to attract quality professionals. We arrange for employees to participate in development training and advanced training throughout their employment, with most of such programs being run in-house. We have also adopted an incentive-based model wherein all employees at our VLCC Wellness Centers may be rewarded on a monthly basis based on various performance parameters. We believe this promotes a sense of entrepreneurship at the managerial level. We aim to develop a collaborative culture at various levels of administration, sales and product and services development within our Company. Our attrition rate at the senior level is well controlled and we believe that our Company has amicable relations with its employees.

Our manpower planning is based on empirical data from our research and development as well as on the industry benchmark. We emphasize a robust talent acquisition and retention mechanism and the VLCC Institutes embody our objective of training and ultimately attracting qualified professionals to our Company. For our wellness services business, we believe that our employees are our most valuable assets. In addition to recruiting from the VLCC Institutes, we continue to invest in our employees to upgrade their skills and competencies through various learning and development initiatives, such as half-yearly advanced training by our senior service specialists or sales managers. We have also partnered with specialized external experts to sponsor to selected employees for their advanced training programs and workshops. We carry out a complete evaluation on each of our employees yearly and rate their performances. We provide performance-linked incentives to sales and delivery teams at our Company as well as profit sharing schemes with managers at the VLCC Wellness Center-level, which help effective monitoring of revenue, timely execution of services and control on expenses. We provide our employees with retirement and maternity benefits and medical insurance coverage for employees who are not already covered under the Government's Employees' State Insurance. In addition to maintaining a comprehensive incentive structure for our Personal Care Products sales staff, we also offer career enhancement opportunities to our employees to gain experience in our different business segments and operations in 12 countries.

Properties

Our principal network consists of 236 VLCC Wellness Centers and 65 VLCC Institutes in India and outside of India, which are all leased, generally under contracts with a term of five to nine years. These also include 84 franchisee wellness centers and institutes in India and overseas for which the premises are procured by the franchisee directly. We, through our Subsidiaries, own our corporate offices in Gurgaon, India and Singapore, in addition to two manufacturing facilities in India and Singapore.

Our wellness centers and VLCC Institutes are subject to substantial wear and tear due to various operational reasons such as repeated usage, inefficient usage by our employees, staff or students, higher maintenance expenditures, a need for up-gradation and better safety features. In addition, we are, from time to time, required to meet the changing needs of our existing and future consumers and students, which would increase our ability to compete more effectively. We periodically undertake refurbishment of our wellness centers, which primarily comprises of costs relating to such as interior costs and furniture and equipment costs, amongst other costs.

Environmental, health, safety and security matters

We are committed to upholding procedures to protect the environment and enforce environmental, health, safety and security mechanisms through accountability at all levels, suitable policies, feedback and full compliance by each employee and contractor to all policies we develop. We require adherence to these policies as they are crucial elements for sustainable development and continued success. VLCC Personal Care Products Limited holds an ISO 14001:2004 certification for its environmental management system for manufacturing of Ayurvedic, herbal hair care, skin care and body care products.

Intellectual property

Our general policy is to seek intellectual property protection for those inventions and improvements likely to be incorporated into our products or to give us a competitive advantage. We rely on a variety of copyrights, trade secrets, trademarks and proprietary information to maintain and enhance our competitive position. We own our principal brand name, “VLCC®”, with the registration of trademarks in India and countries where we have operations, including in the GCC Region, South East Asia and South Asia, Kenya and Saudi Arabia. Our trademarks also include *Slimmer’s*™, VLCC Institute - Creating Wellness Experts® and *Shape Up*™ which have been registered or applied for. The intellectual property rights registered in the name of our Company are legally held, and all formalities in this regard have been complied with. Our brands *BizzyBody*™ and *Facial First*™ in Malaysia are registered in the name of Wyann, our Subsidiary company. Similarly our brands in Singapore, *BelleWave*™, *SkinMTX*™ and *Enavose*™, are registered in the name of our Subsidiaries in Singapore.

For further details of the intellectual property registered in the name of or applied for by the Company, see “Government and Other Approvals” on page 285.

Corporate Social Responsibility

Our Company has a strong thrust in Corporate Social Responsibility (“CSR”) since 2001 when we instituted our charter in-house for CSR. Our CSR initiatives are focused on two themes – “Women empowerment” through financial independence and “Wellness through right nutrition”.

Woman empowerment has been at the core of our philosophy from inception. Started by a woman entrepreneur, employing primarily women, our focus has been on empowering women by equipping them with skills and training to make them employable or pursue entrepreneurial opportunities, thereby achieving financial independence.

Since 2008, we have been working in partnership with a non-governmental organization based in India, Kinship for Humanitarian Social and Holistic Intervention (“**Khushii**”) to provide vocational skills training to underprivileged women. In February 2015, we partnered with Khushii to open a Swatantra Shikshaantra Tributary School in New Delhi, India, in which, along with remedial education, we provide nutrition and beauty culture knowledge and training. We have also worked and partnered with Navjyoti Foundation at Kanjhawala and Gurgaon jails in Haryana (India) to provide hairdressing training to inmates by providing appliances, tools and study materials.

In addition to this, we have been partnering with the Central Government and State governments in India to support their skill-building initiatives by providing training at our Company-owned VLCC Institutes under various schemes and initiatives. We are registered as a vocational training provider under the Skill Development Initiative Scheme with various State governments for providing training at our VLCC Institutes.

We have trained students by partnering with State governments in their schemes and initiatives, some of which are listed below:

- In the states of Arunachal Pradesh, Nagaland and Mizoram, under the Skill Development Initiative scheme under the Ministry of Labour and Employment;
- In Uttarakhand, Jharkhand and Chandigarh, with the introduction of the National Urban Livelihood Mission by the Ministry of Housing and Urban Poverty Alleviation of India;
- We partnered with the Ministry of tourism in Punjab to train students under “Hunar Se Rozgar Tak”, a skill development program;
- Pursuant to initiatives of the Sector Skill Council, we have trained students under the National Skill certification and Monetary Reward scheme (branded as the “**STAR scheme**”) promoted by NSDC during the last Fiscal Year;
- Under the “Pradhan Mantri Kaushal Vikas Yojana”, an initiative of the NSDC and the Ministry of Skill Development and Entrepreneurship; and
- Finally we have also signed a memorandum of understanding with the Ministry of Minority Affairs to train

students in States of Gujarat, Rajasthan, Uttar Pradesh, Arunachal Pradesh and Nagaland.

Our second theme is “Wellness through right nutrition”, which is consonant with our core mission of enabling women to look good, feel good and get more out of life. Starting 2001, we began our Anti-Obesity Day™ initiative to raise global awareness about obesity and its ill-effects. The Anti Obesity Day™ is observed on November 26 every year as part of our annual campaign between November and December. We collaborate with healthcare organizations and leading media in India and the GCC Region for this initiative. Our anti-obesity campaign includes organizing health camps and mass counseling sessions, hosting talk shows with the health experts and disseminating special literature on obesity.

In 2012, we partnered with the United Nations’ World Food Program to launch the “Global Balance Program” which seeks to raise awareness on the imbalance of availability of nutrition around the world.

We have instituted a CSR Committee in accordance with the Companies Act, 2013. For details, see “*Our Management — Corporate Governance*” on page 218.

REGULATIONS AND POLICIES

We are primarily engaged in the business of Manufacturing Wellness Products, providing Wellness Services and operating Vocational Training Institutes. There are no specific laws and regulations currently in force governing the wellness industry in India, however the following description is a summary of certain laws in India, which are applicable to our Company. The information below has been obtained from sources available in the public domain. The summary of laws and policies set forth below may not be exhaustive, and is only intended to provide general information to investors and is neither designed nor intended to substitute for professional legal advice.

Laws relating to Wellness Services and Manufacture of Personal Care Products

Drugs and Cosmetics Act, 1940 (“DCA”)

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics in India as well as aspects relating to labelling, packing and testing. The DCA prohibits *inter-alia* the manufacture and sale of (i) drugs and cosmetics which are not of standard quality or are misbranded, adulterated or spurious (ii) any patent or proprietary medicine, unless the true formula or list of active ingredients is displayed in the prescribed manner on the label, together with the quantities thereof (iii) any drug which by means of any statement, design or device accompanying it or by any other means, purports or claims to prevent, cure or mitigate any such disease or ailment, or to have any such other effect as may be prescribed (iv) any cosmetic containing any ingredient which may render it unsafe or harmful for use under the directions indicated or recommended. It further prohibits *inter-alia* the exhibition, offer for sale, distribution or sale of any drug or cosmetic which has been imported or manufactured in contravention of any of the provisions of DCA or any rule made there under. The DCA makes it mandatory for every person involved in *inter-alia*, manufacture and sale of drugs and cosmetics to operate under the conditions of a license issued to them for the said purpose. The DCA also prohibits the import of certain categories of drugs and cosmetics. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Further the DCA regulates the manufacture and sale of Ayurvedic Siddha and Unani drugs (“ASU drug”) and lays down the conditions when an ASU drug shall be deemed to be misbranded, adulterated or spurious. DCA also mandates that from such date as the State Government may, by notification in the official gazette, specify in this behalf, no person shall *inter alia* manufacture, sell or distribute (i) any misbranded, adulterated or spurious ASU drug, (ii) any patent or proprietary medicine, unless the true list of all its ingredients is displayed in the prescribed manner on the label, (iii) any ASU drugs which are in contravention of any provisions of the DCA. The DCA further prohibits the sale, stocking, exhibiting, offer for sale or distribution of such ASU drugs which have been manufactured in contravention of any of the provisions of the DCA. It also empowers the Central Government to prohibit the manufacture, sale or distribution of ASU drug if it is satisfied that in public interest it is necessary or expedient to do so and if it is satisfied on the basis of any evidence or other material available before it that the use of ASU drug is likely to involve any risk to human beings or animals or that it does not have the therapeutic value claimed or purported to be claimed for it. Penalties in terms of fine and imprisonment are prescribed under the DCA for contravention of its provisions.

The Drugs and Cosmetics Rules, 1945 (“DC Rules”)

The DC Rules lay down the process for obtaining various approvals and licenses for import, manufacture, distribution and sale of drugs and cosmetics in India as well as aspects relating to labelling, packing and testing as required under the DCA, including licenses required for new drugs and imported drugs. The DC Rules empower the licensing authority to grant or renew the licence for the manufacture and sale of drugs. The DC Rules also set-out the conditions for the grant or renewal of licenses for the manufacture and sale of drugs and cosmetics.

DC Rules provide for grant of a certificate of Good Manufacturing Practices (“GMP”) to manufacturers of ASU drugs if they comply with the requirements set out in these rules. The GMP provides for general requirements for, including but not limited to, location and surroundings of the factory building, maintenance of water systems, waste disposal mechanisms, warehousing, sanitation in manufacturing premises, health, clothing and sanitation of workers etc.

The Food Safety and Standards Act, 2006 (“FSS Act”)

FSS Act provides for the establishment of the Food Safety and Standards Authority of India, which establishes food safety standards for the manufacture, storage, distribution, sale and import of food. It is also required to provide scientific advice and technical support to the Government of India and Indian state governments in framing the policy and rules relating to food safety and nutrition. The FSS Act also sets forth requirements relating to the licensing and registration of food businesses, general principles for food safety, responsibilities of food business operators and liability of manufacturers and sellers, and provides for adjudication of such issues by the Food Safety Appellate Tribunal.

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act which came into force on March 1, 2011 was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. It repealed and replaced the Standard of Weights and Measures Act, 1976 and the Standards of weights and Measures (Enforcement) Act, 1985. The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers. Further, states may, after consultation with the Central Government, frame state specific rules under this Act to provide for the time limits for verification of weights and measures, maintenance of registers and records, manner of notifying government authorities, fees for compounding of offences etc.

Shops and Establishment Acts

Under the provisions of local shops and establishments legislations applicable in the States in which establishments are set up, establishments are required to be registered under the respective legislations. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Different States have different penalties prescribed for contraventions of their respective legislations.

Labour Laws

The Factories Act, 1948 (“Factories Act”)

Factories Act defines a ‘factory’ to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process.

Each State Government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;

- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947; and
- Employees' Compensation Act, 1923.

In addition, there are certain state specific labour laws which also need to be complied with by Indian Companies.

Environment Laws

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”) aims to prevent and control water pollution and to maintain or restore water purity. The Water Act provides for one central pollution control board, as well as various state pollution control boards, to be formed to implement its provisions. Under the Water Act, any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the prior consent of the relevant state pollution control board.

Additionally, the Water (Prevention and Control of Pollution) Cess Act, 1977 (“**Water Cess Act**”) requires a person carrying on any operation or process, or treatment and disposal system, which consumes water or gives rise to sewage effluent or trade effluent, other than a hydel power unit, to pay a cess in this regard. The cess to be paid is to be calculated on the basis of the amount of water consumed by such industry and the industrial purpose for which the water is consumed, as per the rates specified under the Water Cess Act.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”), aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. The central pollution control board and state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Not all provisions of the Air Act apply automatically to all parts of India, and the state pollution control board must notify an area as an “air pollution control area” before the restrictions under the Air Act apply.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended (“**Hazardous Wastes Rules**”) regulate the collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain approval from the relevant state pollution control board. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any fine that may be levied by the respective state pollution control board.

Laws relating to Intellectual Property

The Trade Marks Act, 1999

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks

and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the GoI to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

The Patents Act, 1970

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (“**TRIPS**”), India is required to recognize product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

The Copyright Act, 1957

The Copyright Act, 1957 (“**Copyright Act**”) governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work lasts for a period of sixty years following the demise of the author.

Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as ‘Curls & Curves (India) Private Limited’, a private limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the RoC on October 23, 1996 at Delhi. By an agreement dated April 1, 1997 the business and assets of the sole proprietorship of our Promoter, Ms. Vandana Luthra, were transferred to our Company as a going concern for a total consideration of ₹ 1.10 million.

The name of our Company was changed to ‘Curls & Curves (India) Limited’ upon conversion of our Company into a public limited company pursuant to a special resolution of the shareholders of our Company dated March 5, 1999 and a fresh certificate of incorporation issued by the RoC on April 20, 1999. Subsequently, the name of our Company was changed to ‘VLCC Health Care Limited’ pursuant to a special resolution of the shareholders of our Company dated October 18, 2004 and a fresh certificate of incorporation issued by the RoC on November 18, 2004.

Business and Management

For a description of our activities, the growth of our Company, exports, technological and managerial competence, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, location of manufacturing facilities, marketing, competition and foreign operations, see the sections titled, see the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 148 and 238, respectively.

For details of the management of our Company and its managerial competence, see the section titled “*Our Management*” on page 211.

Changes in the Registered Office of our Company

The details of prior change in the registered office of our Company are as below:

Effective Date	Details of change	Reason for change
July 25, 2006	The address of the registered office of our Company was changed from D-58, Panchsheel Enclave, New Delhi 110 017 to M-14 Greater Kailash-II, Commercial Complex, New Delhi 110 048, India.	Expansion needs, administrative convenience and greater operational efficiency

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are:

1. To promote, encourage, establish, provide, maintain, conduct, operate, organise, subsidise, franchise and run health clubs, beauty parlours, yoga centers, swimming pools, gymnasiums, residential spa, education institute and to run the business as beauticians, manicurists, hairdressers, hair dryers, makers and suppliers of all kinds of wigs and to run retail operations in the following categories of business – beauty products and services, health and wellness products, consumer food – products and services, apparels and lifestyle products and to conduct classes, seminars, demonstrations, education and training programs for betterment of body and beauty care;
2. To carry on in India or elsewhere the business to establish, run, manage, construct, build, take on hire or lease, maintain, organise, promote, provide, acquire, buy, sell, franchise, convert, develop, erect, and to handle health centres, yoga centres, immunization centres, massage houses, beauty saloons, clinics, maternity and family planning units, gymnasiums, swimming pools, hospitals, blood banks, poly clinics, natural cure centres, chain of such retail salons and beauty shops, massage houses, prenatal and antenatal centers, sauna and steam bath, nursing homes, pathological laboratories, sports clubs, health foods outlets, diagnostic centres, medical and other centres; and

3. To carry on the business of sale, purchase, import, export of beauty products, health products, and the machinery and tools related to beauty parlours, health centres, food outlets and to take and provide consultancy overseas.

The main object clause and objects incidental or ancillary to the main objects of the Memorandum and Articles of Association enable our Company to undertake its existing activities and activities which it has carried out until now.

Amendments to our Memorandum of Association

Since the incorporation of our Company the following changes have been made to our Memorandum of Association:

Date of change/ shareholders' resolution	Nature of amendment
August 10, 1998	The initial authorised share capital of our Company of ₹ 1 million comprising 100,000 Equity Shares was increased to ₹ 5 million divided into 500,000 Equity Shares.
March 5, 1999	The name of our Company was changed from 'Curls & Curves (India) Private Limited' to 'Curls & Curves (India) Limited'.
March 21, 2000	The authorised share capital of our Company was increased to ₹ 20 million divided into 2,000,000 Equity Shares.
June 23, 2004	The authorised share capital of our Company was increased to ₹ 255 million divided into 2,000,000 Equity Shares and 2,350,000 preference shares of ₹ 100 each.
October 18, 2004	The name of our Company was changed from 'Curls & Curves (India) Limited' to 'VLCC Health Care Limited'.
June 29, 2005	The authorised share capital of our Company was increased to ₹ 400 million divided into 2,000,000 Equity Shares and 3,800,000 preference shares of ₹ 100 each.
September 23, 2010	The authorised share capital of our Company was reclassified as ₹ 400 million divided into 4,589,000 Equity Shares and 3,541,100 Preference Shares.
October 12, 2006	The Object Clause was altered to introduce related activities connected to the wellness including residential spa, health food, educational institutes in related field and other related activities and was accordingly replaced with the current object Clause III.A as described in the sub-section titled "– Our Main Objects" on page 180.
February 12, 2011	The authorised share capital of our Company was reclassified as ₹ 400 million divided into 40,000,000 Equity Shares.
August 14, 2015	The authorised share capital of our Company was increased to ₹ 500 million divided into 50,000,000 Equity Shares. The ancillary objects sub-clause was substituted with a new sub-clause and the other objects clause was deleted in conformity with the provisions of the Companies Act, 2013. The liability clause was substituted with a new liability clause and the subscriber clause renumbered as Clause VI, in conformity with the provisions of the Companies Act, 2013.

Total Number of Shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 19 holders of Equity Shares. For further details on the shareholding of our Company, see the section titled "Capital Structure" on page 78.

Awards and Accreditations

Calendar Year	Accreditations
<i>VLCC Health Care Limited</i>	
2011	'VLCC' recognized as a 'Superbrand' by Superbrands India Private Limited.
2012	Accreditation from the National Accreditation Board for Hospitals & Healthcare Providers for a wellness centre valid until April 30, 2015, subject to renewal.
2014	VLCC Institute of Beauty & Nutrition, as a division of our Company, was awarded the "Most Impactful PPP Initiative in Skill Development/ Elementary Education/ Adult Education" at the Indian Education Awards 2014.

Calendar Year	Accreditations
2014	- VLCC was awarded the ‘Woman Led Emerging Company of the Year’ by Business Today-Yes Bank. ‘VLCC’ recognized as a ‘Superbrand’ by Superbrands India Private Limited.
2015	“VLCC” listed as India's most trusted brand in the category of Healthcare – Wellness in the 5th edition of The Brand Trust Report, India Study 2015. - The Trust Research Advisory awarded VLCC “India’s most trusted wellness brand” in the healthcare and wellness category. - Awarded “Outstanding Contribution to the Aesthetic Industry” and “Best Creative Resource Supplier of the Year” at the Indian Salon and Wellness Congress.
<i>VLCC Personal Care Limited</i>	
2012	Certification issued by BSI for the compliance of the “Environmental Management System” with ISO 14001:2004 requirements for the manufacture of ayurvedic/ herbal hair care, skin care and body care products valid until December 15, 2015.
2013	Certification from BSI India for compliance with “Good Manufacturing Practices” for the manufacture and distribution of ayurvedic skin care, hair care and body care products valid until December 31, 2013.
2014	- Conferred the award for “Best Kiosk Retailer” at the Indian Retail & e-Retail Awards, 2014 - Certification from BSI India for compliance with “Good Manufacturing Practices” for the manufacture and distribution of ayurvedic skin care, hair care and body care products valid until December 31, 2014.
2015	Certificate issued by TÜV SÜD South Asia Private Limited for implementation of a quality management system in accordance with ISO 9001:2008 for research and development of ayurvedic and cosmetic hair care, skin care and body care products.

Major Events and Milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
2001	First vocational training institute established in Defence Colony.
2004	Private equity investment by Shine Limited.
2005	First wellness centre opened in the Dubai, Middle East.
2007	First franchisee operated wellness centre opened in Yamuna Nagar, Haryana. Private equity investment by Indivision India Partners.
2008	Manufacturing facility set up at Haridwar, India.
2012	Acquisition of Wyann International (M) Sdn Bhd as a Subsidiary in Malaysia.
2013	Acquisition of Global Vantage Innovative Group Pte Ltd as a Subsidiary in Singapore. Entered into a joint venture agreement in relation to YaP Yoga Private Limited. Entered into a joint venture agreement with Yana Investments Limited in relation to setting up VLCC wellness centres in Kenya.
2014	Acquisition of VLCC Wellness Research Centre Private Limited as a Subsidiary.
2015	Acquisition of YaP Yoga Private Limited as a Subsidiary. The number of our wellness centres and institutes crossed 300.

Strike and lock-outs

Except for a strike by certain employees at our Company’s Marine Drive centre, who are affiliated with the Bhartiya Kamgar Sena, in August 2014 for a duration of four days, our Company has not experienced any strike, lock-outs or labour unrest in the past. The reasons for the aforesaid strike were, *inter alia*, non-consideration of the Bhartiya Kamgar Sena’s charter of demands by the management of our Company which included demands in relation to wage-scale and classification of work.

Time/cost overrun

Our Company has not experienced time and cost overrun in relation to the projects executed by us.

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years from the date of this DRHP, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by our Company.

We have in the past been non-compliant with certain financial ratios and covenants stipulated in our borrowing agreements in relation to which we obtained waivers from the concerned lenders. For further details see the section titled “*Risk Factors – We are subject to restrictive covenants and interest rate increases under our financing arrangements that could limit our Flexibility in managing our business or to use cash or other assets*” on page 55. There has been no rescheduling of borrowings with financial institutions or banks or conversion of loans into equity in relation to our Company.

Capital raising (Equity/ Debt)

Our equity issuances in the past and availing of debts as on July 31, 2015, have been provided in sections titled “*Capital Structure*” and “*Financial Indebtedness*” on pages 78 and 261, respectively. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Our Company acquired the business and assets of the sole proprietorship of our Promoter, Ms. Vandana Luthra pursuant to an agreement dated April 1, 1997 for a total consideration of ₹ 1.10 million.

In addition, we acquired VLCC Wellness Research on December 9, 2014, YaP Yoga on March 30, 2015, Wyann on October 25, 2012 and GVig on September 2, 2013. For further details see “– *Subsidiaries of our Company – VLCC Wellness Research Centre Private Limited*” and “– *Subsidiaries of our Company – YaP Yoga Private Limited*”, “– *Subsidiaries of our Company – Wyann International (M) Sdn Bhd*” and “– *Subsidiaries of our Company – Global Vantage Innovative Group Pte Ltd*” below on pages 193, 192, 200 and 201, respectively.

Other than the above, our Company has not acquired any business/undertakings.

Our Company has not revalued its assets during the five years preceding this Draft Red Herring Prospectus.

Injunctions or Restraining Order against our Company

There are no injunctions or restraining orders against our Company or our Subsidiaries.

Material Agreements

A. Share Purchase and Shareholders’ Agreements

1. *Shareholders’ agreement dated November 13, 2014, among our Company, Promoters, Leon International Limited and Indivision India Partners, as amended by way of amendment agreements dated March 11, 2015 and September 17, 2015 (“Leon SHA”)*

Our Company, Promoters, Leon International Limited (“**Leon**”) and Indivision India Partners (“**Indivision**”), as a confirming party, entered into the Leon SHA in order to set out the respective rights and obligations of our Company, Promoters and Leon as a shareholder of 5,141,718 Equity Shares, representing 13.65% equity stake in our Company, which were transferred to Leon from Shine Limited pursuant to a deed of adherence dated November 10, 2010.

Salient terms of the Leon SHA and key preferential rights of Leon under the Leon SHA, are summarized below:

- *Board composition* – The maximum number of Directors on our Board may be 12, of which at least two Directors would be non-executive independent Directors, mutually acceptable to the Promoter, Leon and also Indivision. Leon has the right to nominate one non-executive Director (“**Leon Nominee Director**”), who would be liable to retire by rotation and upon such retirement, may be reappointed or succeeded by a nominee of Leon, in accordance with the Companies Act, 2013 and other applicable laws. Leon also has a right to nominate an observer (“**Leon Observer**”) to attend, but not hold any voting rights, at all meetings of the Board as well as of the board of directors of our wholly owned Subsidiaries and Group Companies.
- *Quorum* – The quorum for a Board meeting would be at least three Directors, including the Leon Nominee Director.
- *Board-level committees* – The Leon Observer has a right to attend all the meetings of the audit committee and the remuneration committee. Our Company is also required to constitute an executive committee comprising of officials mentioned in the Leon SHA, which would review the day-to-day management and operation of our Company on a monthly basis.
- *Affirmative rights of Leon* – Our Company and wholly owned Subsidiaries require the prior written consent of either the Leon Nominee Director or Leon, to take up, discuss, act upon or implement certain matters (“**Reserved Matters**”), which include, *inter alia*:
 - change in any manner of the authorized share capital, MoA or AoA;
 - change in the name of the Company or Subsidiaries;
 - variation of any class of rights attached to any shares;
 - disposal of any material part of the business or material assets, including the brand “VLCC” or any intellectual property owned by the Company, Subsidiaries or Group Companies;
 - any transaction involving merger, acquisition, issue of fresh shares or derivative securities or an initial public offering after April 30, 2017 (“**IPO Target Date**”) or corporate restructuring of any kind;
 - offer of Equity Shares or convertible securities or instruments, at terms more favourable than terms of Leon’s investment and at a group valuation of less than ₹ 8,500 million
 - increase or decrease in maximum number of Directors, or appointment or removal of CEO or CFO;
 - recommendation or declaration of dividends;
 - capital expenditure or investments in excess of approved limits in Board-approved budgets;
 - change or appointment of statutory auditors;
 - any joint venture, partnership or consortium arrangement other than in the ordinary course of business;
 - advances, loans or credit to any related party of the Promoters or any Subsidiary, except in the ordinary course of business; and
 - any related party transaction with the Promoters or their affiliates, except in the ordinary course of business or not at arm’s length.

Further, the Promoters shall not compete with the business of our Company, Subsidiaries, joint ventures or associate companies of our Company, nor induce any director or key employee of the entities to leave such directorship or employment.

- *Transfer of Equity Shares, ROFO and Tag-along rights* – During the term of the Leon SHA, our Promoters shall hold at least in aggregate 51% of the share capital of our Company, and can transfer only up to 10% of their shareholding. The Promoters are, however, subject to the prior consent of Leon, entitled to make certain kinds of agreed upon transfers, including inter-se transfers among their immediate family members, and to create a bona fide pledge on their Equity Shares of up to 10% of their shareholding, above which any pledge would require the prior written consent of Leon and Indivision.

In the event of a transfer of Equity Shares by any of our Promoters or Leon, the non-transferring Promoters, or Leon, as the case may be, would be entitled to a right of first offer (“**ROFO**”) and in case Leon does not elect to exercise the ROFO, Leon would have a tag-along right in such transfer. Leon is also entitled to pro-rata tag-along right when Indivision is exercising its exit rights under the Indivision Agreements (summarized below).

- *Anti-dilution rights* – Leon has anti-dilution rights in case of issuance of Equity Shares or derivative securities by our Company on a rights or preferential basis.
- *Public offer and offer for sale* – Our Company is required to undertake an initial public offering and achieve listing of the Equity Shares prior to the IPO Target Date. Leon and Indivision have the right, but no obligation to tender all or part of their shareholding, in proportion to their shareholding, in the initial public offering.
- *Termination* – The Leon SHA may be terminated by the parties through a mutual written agreement. The Leon SHA would automatically terminate on the occurrence of any of the following, whichever is earlier:
 - Leon, along with any of its respective affiliates, ceases to hold any Equity Shares; or
 - in the event of an initial public offering of our Company.

Pursuant to an amendment agreement to the Leon SHA dated September 17, 2015 entered into by the parties, the Leon SHA and all rights of Leon under it will terminate on the date on which listing and trading approvals are received from the Stock Exchanges.

2. *Share subscription agreement dated January 24, 2007 (“Indivision SSA”) and investors’ rights agreement dated January 24, 2007, among our Company, Promoters and Indivision India Partners, as amended by way of amendment agreements dated July 15, 2010, February 7, 2011, March 11, 2015 and September 17, 2015 (“Indivision IRA”) (collectively, the “Indivision Agreements”) to which Leon is a confirming party*

Our Company entered into the Indivision SSA, pursuant to which Indivision subscribed to 5,000,000 0% compulsorily fully convertible debentures of ₹ 100 each (“CCDs”) at an aggregate consideration of ₹ 500 million, which were converted into 341,132 Equity Shares on March 8, 2011. Upon such conversion, pursuant to a rights issue by our Company, Leon was issued 55,533 Equity Shares on account of anti-dilution rights available to Leon under the Indivision IRA (as summarised herein below), and the VLCC Employee Welfare Trust was issued 10,171 Equity Shares. For further details, see the section titled “*Capital Structure – History of equity share capital of our Company*” on page 79.

Pursuant to the Indivision SSA, our Company, Promoters and Indivision entered into the Indivision IRA in order to set out the respective rights and obligations of our Company, Promoters and Indivision as an investor currently holding 5,692,621 Equity Shares, representing 15.11% of the equity stake in our Company. Leon is a confirming party to the amendment agreements dated February 7, 2011, March 11, 2015 and September 17, 2015.

Salient terms of the Indivision IRA and key preferential rights of Indivision under the Indivision IRA, are summarized below:

- *Board composition* – The maximum number of Directors on our Board may be 12 Directors. Indivision, so long as it continues to hold at least 5% of the equity share capital of our Company, has the right to nominate one Director (“**Indivision Nominee Director**”) and one observer (“**Indivision Observer**”) on the Board as well as of the board of directors of certain of our Subsidiaries. The Indivision Nominee Director would be liable to retire by rotation and upon such retirement, may be reappointed or succeeded by a nominee of Indivision, in accordance with the Companies Act, 2013 and other applicable laws.
- *Quorum* – The quorum for a Board meeting would be one-third of the total strength of the Board, provided (i) in case the number of interested Directors exceeds or is equal to two-thirds of the total strength of the Board, at least two non-interested Directors would be required to constitute quorum; and (ii) at least one Director representing Indivision and one Director representing our Promoter and any and all blood relatives of our Promoters holding Equity Shares or equity linked instruments (such relatives, together with our Promoters, being the “**Management Shareholders**” for the purposes of the Indivision IRA).

- *Board-level committees* – At least one Director representing Indivision would be a member of the nomination and remuneration committee, audit committee and any committee constituted to implement any decisions in relation to any Reserved Matter (as defined below).
- *Affirmative rights of Indivision* – Our Company and wholly owned Subsidiaries require the affirmative vote of a majority of the Directors and the prior written consent of the Indivision Nominee Director, to consider any proposal in relation to certain matters (“**Reserved Matters**”), which include, *inter alia*:
 - change in any manner of the authorized share capital, MoA or AoA of the Company, Subsidiaries or Group Companies (together, the “**Group**”);
 - change in the name of the Group;
 - variation of any class of rights attached to any shares of the Group;
 - any merger, acquisition or corporate restructuring of any kind of any member of the Group;
 - issue, allotment, redemption or variation of equity shares or derivative securities of any member of the Group, including the terms and pricing of Equity Shares offer pursuant to an initial public offering after April 30, 2017 (“**IPO Target Date**”), provided our Company’s valuation for allotment is less than ₹ 6,500 million;
 - increase or decrease in maximum number of Directors, or appointment or removal of CEO or CFO;
 - recommendation or declaration of dividends;
 - change or diversification of the business of, or investments or divestments by any member of the Group, except as agreed upon business plans or within a 15% variation thereof;
 - change or appointment of statutory auditors;
 - approval of an employee stock option plan of any member of the Group;
 - advances, loans or credit to, or giving any guarantee, indemnity or security in such arrangements for, any related party of the Group, except in the ordinary course of business; and
 - entering into or amendment of any contract involving an amount over ₹ 10 million, or in excess of a 15% deviation from or with a third party other than as per agreed upon business plans.

Further, the Management Shareholders and their affiliates shall not compete with the business of our Company during the term of the Indivision IRA and so long as Indivision continues to hold at least 5% of the equity share capital of our Company. However, the Management Shareholders would be entitled to invest up to 2% of the equity share capital in any listed company. Also, Indivision shall not transfer all or any of its Equity Shares to any competitor.

- *Transfer of Equity Shares, ROFO and Tag-along rights* – So long as Indivision continues to hold at least 5% of the equity share capital of our Company as on the date of Indivision IRA, taking into consideration issuance of Equity Shares up to 2.5% of the equity share capital of our Company (“**Threshold Limit**”), the Management Shareholders shall hold at least 51% of the share capital of our Company, and can transfer only up to 10% of their shareholding without the prior written consent of Indivision. However, the Management Shareholders are, subject to the prior consent of Indivision, entitled to make certain kinds of agreed upon transfers, including inter-se transfers among their immediate family members, and to create a bona fide pledge on their Equity Shares of up to 10% of their shareholding, above which any pledge would require the prior written consent of Indivision.

In the event of a transfer of Equity Shares by any of the Management Shareholders or Indivision, the non-transferring Promoters, or Indivision, as the case may be, would be entitled to a right of first offer (“**ROFO**”) and in case Indivision does not elect to exercise the ROFO, Indivision would have a tag-along right in such transfer. Indivision is also entitled to pro-rata tag-along right when Indivision is exercising its exit rights under the Indivision Agreements (summarized below).

- *Anti-dilution rights* – Indivision has anti-dilution rights in case of issuance of Equity Shares or derivative securities by our Company on a rights or preferential basis.
- *Public offer and offer for sale* – Our Company is required to undertake an initial public offering and achieve listing of the Equity Shares prior to the IPO Target Date. Indivision and Leon have the right, but no

obligation to tender all or part of their shareholding, in proportion to their shareholding, in the initial public offering.

- *Termination and indemnity* – The Indivision IRA may be terminated by the parties through a mutual written agreement. The Indivision IRA would automatically terminate on the occurrence of any of the following, whichever is earlier:
 - Indivision, along with any of its respective affiliates, ceases to hold Equity Shares equal to or greater than the Threshold Limit; or
 - in the event of an initial public offering of our Company.

Pursuant to an amendment agreement to the Indivision IRA dated September 17, 2015 entered into by the parties, the Indivision IRA and all rights of Indivision under it will terminate on the earlier of Indivision, along with its Affiliates, ceasing to hold directly or indirectly, Equity Shares equal to or greater than the Threshold Limit or on the date on which listing and trading approval is received by the Company from the Stock Exchanges, whichever is earlier.

Parties to the Indivision IRA will be obliged to indemnify the other parties against any direct or indirect liability, loss, damage, claim, settlement, cost or expense asserted arising out of any material misrepresentation or breach of any representation or warranty, undertaking or agreement or obligation required to be performed pursuant to the Indivision IRA.

For further details, see section titled “*Capital Structure*” on page 78.

B. Other Agreements

Share subscription and shareholders’ agreement dated April 23, 2014, among Mr. Mukesh Luthra, Leon, Tiger Nominees Limited and Algaroth Limited (“Algaroth Agreement”)

Mr. Mukesh Luthra, our Promoter, is a party to the Algaroth Agreement, pursuant to which Algaroth Limited (“**Algaroth**”) subscribed to 999 equity shares (“**Algaroth Shares**”) of Leon, representing 99.9% of the subscribed and paid up share capital of Leon, for an aggregate consideration of USD 999. Tiger Nominees Limited (“**Tiger**”) held, and continues to hold, the remaining one equity share of Leon and Mr. Mukesh Luthra is the beneficial owner of this equity share (“**Tiger Share**”).

As per the terms of the Algaroth Agreement, the board of directors of Leon shall comprise of at least three members including two resident Mauritius members, and all such directors would be appointed by Algaroth. However, affirmative consent of Tiger would be required for any decision or action in relation to a change in the business, name or authorized share capital of Leon or issuance of any shares or advance of any loan, guarantee or credit by Leon.

As per terms of the agreement, in the event the initial public offering or a strategic sale of equity shares our Company is not completed with three years of closing, *i.e.* by April 23, 2017, Leon would be authorized to sell Equity Shares of our Company held by Leon at any price, to a person Algaroth may nominate, subject however to the ROFO available to existing investors of our Company under the Leon SHA.

Under the Algaroth Agreement, Algaroth has right to require Tiger or Mr. Mukesh Luthra to purchase Algaroth Shares in the following manner:

- (a) Any time after date of closing of the subscription under the Algaroth Agreement (“**Closing**”), Algaroth may require Tiger or Mr. Mukesh Luthra to purchase the Algaroth Shares, at such price as would provide Algaroth a minimum guaranteed return of 10% internal rate of return, net of taxes and corporate costs (in USD) on the investment amount., calculated from Closing up to the date of sale of the Algaroth Shares to Mr. Mukesh Luthra, Tiger or any person nominated by Mr. Mukesh Luthra (“**MGRI**”); and

- (b) In the event the initial public offering or a strategic sale of equity shares our Company is not completed with three years of Closing, Algoth may require, pursuant to exercise of its put option, Mr. Mukesh Luthra to purchase the Algoth Shares for cash, at MGRI.

Further, Mr. Mukesh Luthra shall cause Tiger to subscribe to 99,999 equity shares of Leon, upon a written request from Algoth.

In addition to subscription of Algoth Shares, Algoth has also extended a loan for USD 9.99 million to Leon pursuant to a loan agreement dated April 23, 2014 (“**Algoth Loan Agreement**”). The loan has been extended for a period of three years from the date of disbursement, unless preceded by a liquidity event as defined under the Algoth Loan Agreement.

The loan is repayable along with such interest as would provide a net cash internal rate of return of 10% (in USD), calculated from the date of disbursement to the date of repayment, as single bullet repayment, upon completion of the term of the facility or occurrence of the liquidity event. An additional default interest at the rate of 2% internal rate of return (in USD) per annum may be charged by Algoth upon occurrence of any event of default specified under the Algoth Loan Agreement, including in relation to the non-payment of the loan or interest or the participation entitlement. Such additional default interest would be payable on demand by Algoth and shall be compounded monthly.

Upon the occurrence of any of the liquidity events, such as strategic sale or initial public offering of equity shares of our Company, in addition to interest payable, Leon would be required to pay, from the proceeds of such sale, Algoth the amount from sale of 52.68% of the equity shares held by Leon, representing 7.19% of the Equity Share Capital of our Company. In case such amount is not sufficient to repay the loan, proceeds of the sale of all the Equity Shares held by Leon may become payable.

As security for the loan, Tiger has pledged the Tiger Share in favour of Algoth. Mr. Mukesh Luthra has given a personal guarantee to secure the loan, and has also undertaken that he will not extend any further guarantees or securities without the prior written consent of Algoth.

Except as disclosed above, as of the date of this Draft Red Herring Prospectus, our Company is not a party to any other material agreements which have not been entered into in the ordinary course of business.

Holding Company

Our Company does not have a holding company.

Subsidiaries of our Company

Direct Subsidiaries

Our shareholding in our direct Subsidiaries as at July 31, 2015 is as follows:

S. no.	Subsidiary	Percentage of Holding
<i>Indian Subsidiaries</i>		
1.	VLCC Personal Care Limited	100.00
2.	VLCC Retail Limited	100.00
3.	V.L.C.C. India Limited	95.00
4.	YaP Yoga Private Limited	95.00
<i>Foreign Subsidiaries</i>		
5.	VLCC International Inc.	100.00

Indirect Subsidiaries

Our holding in our indirect Subsidiaries as at July 31, 2015 is as follows:

S. no.	Subsidiary	Holding Company	Indirect percentage of shareholding of our Company*
<i>Indian Subsidiaries</i>			
1.	VLCC Wellness Research Centre Private Limited	VLCC Personal Care Limited	100.00
<i>Foreign Subsidiaries</i>			
2.	VLCC International LLC	VLCC International Inc.	100.00*
3.	VLCC (Middle East) L.L.C.	VLCC International Inc.	100.00*
4.	VLCC Europe Limited	VLCC International Inc.	100.00
5.	VLCC International Limited Liability Company	VLCC International Inc.	100.00**
6.	VLCC International (Bahrain) W.L.L.	VLCC International Inc.	100.00*
7.	VLCC International Qatar Co. - W.L.L.	VLCC International Inc.	100.00*
8.	VLCC Overseas Limited	VLCC International Inc.	100.00
9.	VLCC Healthcare (Bangladesh) Private Limited	VLCC Overseas Limited	100.00
10.	VLCC Healthcare Egypt LLC	VLCC International Inc.	100.00
11.	VLCC Healthcare Lanka (Private) Limited	VLCC Overseas Limited	100.00
12.	VLCC Education Lanka (Private) Limited	VLCC Overseas Limited	100.00
13.	VLCC Singapore Pte. Ltd.	VLCC International Inc.	100.00
14.	VLCC Personal Care (Bangladesh) Private Limited	VLCC Overseas Limited	100.00
15.	Wyann International (M) Sdn Bhd	VLCC International Inc.	76.00
16.	Skin Nutrition Asia Pacific Sdn Bhd	Wyann International (M) Sdn Bhd	38.00 [^]
17.	Global Vantage Innovative Group Pte Ltd	VLCC Singapore Pte. Ltd.	85.00
18.	Bellewave Cosmetic Pte. Ltd.	Global Vantage Innovative Group Pte Ltd	85.00
19.	Celblos Dermal Research Centre Pte. Ltd.	Global Vantage Innovative Group Pte Ltd	85.00
20.	Excel Beauty Solution Sdn Bhd	Celblos Dermal Research Centre Pte. Ltd.	85.00
21.	Enavose Life Science Research Pte Ltd	Global Vantage Innovative Group Pte Ltd	85.00
22.	VLCC Wellness (East Africa) Limited	VLCC International Inc.	70.00
23.	VLCC Wellness (M) Sdn. Bhd.	VLCC Singapore Pte. Ltd.	100.00
24.	VLCC International - Kuwait Health Care Institute Limited Liability Company	VLCC International Inc.	100.00*
25.	VLCC Holding (Thailand) Co., Ltd.	VLCC Singapore Pte. Ltd.	49.90 [#]
26.	VLCC Wellness (Thailand) Co., Ltd.	VLCC Holding (Thailand) Co., Ltd.	75.00

* Of this, 49.00% is held by VLCC International Inc. and for the balance 51% shareholding we have entered into an agreement with the other shareholder(s) whereby the risk and rewards of the business vest entirely with VLCC International Inc. and accordingly, VLCC International Inc. has 100% economic interest in this entity. For further details see Annexure IV of our restated consolidated financial statements on page F-9.

** Of this, 70.00% is held by VLCC International Inc. and for the balance 30% shareholding, we have entered into an agreement with the other shareholder(s) whereby the risk and rewards of the business vest entirely with VLCC International Inc. and accordingly, VLCC International Inc. has 100% economic interest in this entity. For further details see Annexure IV of our restated consolidated financial statements on page F-9.

[^] Adjusted against percentage holding of our step down Subsidiary.

[#] VLCC Singapore Pte. Ltd. holds 49.90% of the voting rights in VLCC Holding (Thailand) Co., Ltd. while the other shareholder holds all the Class A preference shares in VLCC Holding (Thailand) Co., Ltd.. VLCC Singapore Pte. Ltd. also controls the affair and the board of directors of VLCC Holding (Thailand) Co., Ltd., appoints the chairman and all significant rights in respect of dividend are enjoyed by VLCC Singapore Pte. Ltd. Accordingly, VLCC Singapore Pte. Ltd. is considered to be the holding company of VLCC Holding (Thailand) Co., Ltd.

The details of our direct and indirect Subsidiaries are as follows:

1. VLCC Personal Care Limited (“VLCC Personal Care”)

Corporate information

VLCC Personal Care was incorporated on September 6, 2000 under the Companies Act, 1956 with the RoC as “VL Bodycare Private Limited”. Thereafter its name was changed to “VL Personalcare Private Limited”, “VLCC Personal Care Private Limited” and “VLCC Personal Care Limited” and fresh certificates of incorporation were issued on March 3, 2003, July 30, 2003 and September 13, 2004. Its CIN is U52212DL2000PLC107566 and its registered office is situated at M-14, Greater Kailash II, Commercial Complex, New Delhi 110048.

VLCC Personal Care is enabled under its objects to carry on the business of manufacturing and sale of skin-care, hair-care and body-care products, which is also the business it is currently engaged in.

The board of directors of VLCC Personal Care comprises the following persons:

1. Mr. Sandeep Ahuja;
2. Mr. Sanjay Mehta;
3. Mr. Narinder Kumar;
4. Mr. Kamal Oberoi; and
5. Mr. Ashutosh Bhardwaj.

Capital structure and shareholding pattern

The authorised share capital of VLCC Personal Care is ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital is ₹ 43,750,000 divided into 4,375,000 equity shares of ₹ 10 each.

The shareholding pattern of VLCC Personal Care as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	VLCC Health Care Limited	4,374,994	100.00
2.	Mr. Mukesh Luthra*	1	Negligible
3.	Ms. Vandana Luthra*	1	Negligible
4.	Ms. Meera Luthra*	1	Negligible
5.	Ms. Pallavi Luthra*	1	Negligible
6.	Mr. Anurag Bhatia*	1	Negligible
7.	Mr. Sandeep Ahuja*	1	Negligible
Total		4,375,000	100.00

* Holding equity shares as nominee shareholders of our Company.

2. VLCC Retail Limited

Corporate information

VLCC Retail Limited was incorporated on June 16, 2006 under the Companies Act, 1956 with the RoC. Its CIN is U74996DL2006PLC149773 and its registered office is situated at M-14, Greater Kailash II, Commercial Complex, New Delhi 110048.

VLCC Retail Limited is enabled under its objects to carry on the business of retailing of beauty, health and supplement products and services, but is not currently engaged in any business activities.

The board of directors of VLCC Retail Limited comprises the following persons:

1. Mr. Mukesh Luthra;
2. Mr. Sandeep Ahuja; and
3. Mr. Narinder Kumar.

Capital structure and shareholding pattern

The authorised share capital of VLCC Retail Limited is ₹ 500,000 divided into 50,000 equity shares of ₹ 10 each

and its issued, subscribed and paid-up capital is ₹ 500,000 divided into 50,000 equity shares of ₹ 10 each.

The shareholding pattern of VLCC Retail Limited as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	VLCC Health Care Limited	49,994	99.99
2.	Mr. Mukesh Luthra [*]	1	Negligible
3.	Ms. Vandana Luthra [*]	1	Negligible
4.	Mr. Sandeep Ahuja [*]	1	Negligible
5.	Mr. Narinder Kumar [*]	1	Negligible
6.	Ms. Pallavi Luthra [*]	1	Negligible
7.	Mr. Nitin Bahl [*]	1	Negligible
Total		50,000	100.00

^{*} Holding equity shares as nominee shareholders of our Company.

3. V.L.C.C. India Limited (“VLCC India”)

Corporate information

VLCC India was incorporated on April 8, 1999 under the Companies Act, 1956 with the RoC as “V.L.C.C. India Private Limited”. It changed its name to its present name upon conversion to a public limited company with a fresh certificate of incorporation being issued by the RoC on December 2, 2004. Its CIN is U26246DL1999PLC099212 and its registered office is situated at M-14, Greater Kailash II, Commercial Complex, New Delhi 110048.

VLCC India is enabled under its objects to *inter alia* carry on the business of preparation and sale of beauty treatments and products as well as establishment and running of beauty and health centres but it is currently not engaged in any business activities.

The board of directors of VLCC India comprises the following persons:

1. Mr. Mukesh Luthra;
2. Mr. Sandeep Ahuja; and
3. Mr. Narinder Kumar.

Capital structure and shareholding pattern

The authorised share capital of VLCC India is ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10 each and its issued, subscribed and paid-up capital is ₹ 900,000 divided into 90,000 equity shares of ₹ 10 each.

The shareholding pattern of VLCC India as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	VLCC Health Care Limited	85,494	94.99
2.	Mr. Mukesh Luthra [^]	4,501	5.00
3.	Ms. Vandana Luthra [*]	1	Negligible
4.	Ms. Meera Luthra [*]	1	Negligible
5.	Ms. Pallavi Luthra [*]	1	Negligible
6.	Mr. Anurag Bhatia [*]	1	Negligible
7.	Mr. Sandeep Ahuja [*]	1	Negligible
Total		90,000	100.00

[^] Holding one equity share (out of the total 4,501 equity shares) as a nominee shareholder of our Company.

^{*} Holding equity shares as nominee shareholders of our Company.

4. YaP Yoga Private Limited (“Yap Yoga”)

Corporate information

Yap Yoga was incorporated on July 9, 2013 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. Its CIN is U92412MH2013PTC245416 and its registered office is situated at 57A, first floor, plot no. 3, CTS 166, Near Sunny Studio, Gandhi Gram Road, Juhu, Mumbai 400 049, Maharashtra.

At the time of its incorporation, the entire equity share capital of Yap Yoga was held by Ms. Shilpa Shetty Kundra and Iconic Investments Private Limited, holding 1 equity share and 99,999 equity shares, respectively. Shortly after its incorporation, our Company entered into a memorandum of understanding dated July 22, 2013 with Ms. Shilpa Shetty Kundra and Iconic Investments Private Limited, followed by a joint venture shareholders agreement dated September 2, 2013 as amended by an addendum dated November 15, 2013, pursuant to which our Company became a joint venture partner with a 50% stake in Yap Yoga. Accordingly, on November 12, 2013 our Company was allotted 250,000 equity shares of Yap Yoga for a total consideration of ₹ 2.50 million.

On March 30, 2015, our Company acquired a further 225,000 equity shares of Yap Yoga from Ms. Shilpa Shetty Kundra for a consideration of ₹ 2,250,000 bringing the shareholding of our Company in Yap Yoga up to 95.00% and accordingly, Yap Yoga became a Subsidiary of our Company. By an agreement dated July 25, 2015 the joint venture was terminated with Ms. Shilpa Shetty agreeing to transfer all equity shares held by her in Yap Yoga at par to our Company.

Yap Yoga is enabled under its objects to *inter alia* carry on the business of conducting coaching classes for yoga and physiotherapy which is the business it is currently engaged in.

The board of directors of Yap Yoga comprises the following persons:

1. Mr. Narinder Kumar; and
2. Mr. Abhishek Goel.

Capital structure and shareholding pattern

The authorised share capital of Yap Yoga is ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital is ₹ 5,000,000 divided into 500,000 equity shares of ₹ 10 each.

The shareholding pattern of Yap Yoga as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	VLCC Health Care Limited	475,000	95.00
2.	Ms. Shilpa Shetty Kundra	25,000	5.00
Total		500,000	100.00

5. VLCC International Inc.

Corporate information

VLCC International Inc. was incorporated on December 2, 2004 under the laws of the British Virgin Islands. Its registration number is 627967, its registered office is situated at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

VLCC International Inc. is enabled under its objects to carry on the business of an investment company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee share stocks, debentures, debenture stocks, bonds, notes, obligations or securities, which is also the business it is currently engaged in.

The board of directors of VLCC International Inc. comprises the following persons:

1. Mr. Mukesh Luthra;
2. Mr. Sandeep Ahuja; and
3. Half Moon Bay Limited – Director.

Capital structure and shareholding pattern

The authorised share capital of VLCC International Inc. is USD 10,000,000 divided into 10,000,000 shares of USD 1 each. The issued, subscribed and paid-up capital is USD 3,277,687 divided into 3,277,687 shares of USD 1 each.

The shareholding pattern of as of VLCC International Inc. July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of USD 1 each	Percentage of issued capital
1.	VLCC Health Care Limited	3,277,687	100.00
Total		3,277,687	100.00

6. VLCC Wellness Research Centre Private Limited (“VLCC Wellness Research”)

Corporate information

VLCC Wellness Research was incorporated on December 9, 1981 under the Companies Act, 1956 as “Natraj Woollen and Finishing Mills Private Limited” with the RoC. Its name was changed to its present name and fresh certificates of incorporation were issued by the RoC on December 31, 2014. Its CIN is U73100DL1981PTC012796 and its registered office is situated at M-14, Greater Kailash II, Commercial Complex, New Delhi 110048.

Pursuant to a share purchase agreement dated September 30, 2014 amongst Ms. Vandana Luthra, Ms. Pallavi Luthra, VLCC Personal Care and VLCC Wellness Research (at the time “Natraj Woollen and Finishing Mills Private Limited”) 5,000 equity shares of VLCC Wellness Research constituting 100.00% of its issued, subscribed and paid-up capital were acquired by VLCC Personal Care for a total consideration of ₹ 150.00 million on December 9, 2014.

VLCC Wellness Research is enabled under its objects to *inter alia* carry on the business of research in the wellness domain, the manufacture and sale of herbal, ayurvedic and beauty products and to carry on the business of sale, purchase, import and export of beauty products, health products and machinery and tools related to beauty parlours, health centres and to run and operate beauty parlours, health clubs, yoga centres and other activities, but is currently not engaged in any business activities.

The board of directors of VLCC Wellness Research comprises the following persons:

1. Mr. Mukesh Luthra; and
2. Mr. Sandeep Ahuja.

Capital structure and shareholding pattern

The authorised share capital of VLCC Wellness Research is ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each and its issued, subscribed and paid-up capital is ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each.

The shareholding pattern of VLCC Wellness Research as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 100 each	Percentage of issued capital
1.	VLCC Personal Care Limited	4,998	99.96
2.	Mr. Sandeep Ahuja*	1	0.02
3.	Mr. Narinder Kumar*	1	0.02
Total		5,000	100.000

* Holding equity shares as nominee shareholders of VLCC Personal Care Limited.

7. VLCC International LLC

Corporate information

VLCC International LLC was incorporated on August 14, 2005 under the laws of the United Arab Emirates. Its registration number is 575578 and its registered office is situated at P.O. Box 52411, Al Attar Tower, Sheikh Zayed Road, Dubai, United Arab Emirates.

VLCC International LLC is enabled under its objects to carry on the business of owning, managing and operating fitness, beauty and health centres, which is also the business it is currently engaged in.

Mr. Sandeep Ahuja is the manager of VLCC International LLC.

Capital structure and shareholding pattern

The authorised share capital of VLCC International LLC is 300,000 AED divided into 300 shares of 1,000 AED each. The issued, subscribed and paid-up capital is 300,000 AED divided into 300 shares of 1,000 AED each.

The shareholding pattern of VLCC International LLC as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of 1,000 AED each	Percentage of issued capital
1.	VLCC International Inc.	147	49.00
2.	Dr. Juma Abdulrahman Al Matrooshi (Sponsor)	153	51.00*
Total		300	100.00

* Pursuant to an agreement entered into with Dr. Juma Abdulrahman Al Matrooshi with respect to the balance 51.00% shareholding not held by us, the risks and reward of the business vest entirely with us and accordingly we have 100.00% economic interest in VLCC International LLC.

8. VLCC (Middle East) L.L.C. ("VLCC Middle East")

Corporate information

VLCC Middle East was incorporated on December 7, 2004 under the laws of the United Arab Emirates. Its license number is 563601 and its registered office is situated at P.O. Box 52411, Al Attar Tower, Sheikh Zayed Road, Dubai, United Arab Emirates.

VLCC Middle East is enabled under its objects to carry on the business of general trading and accordingly it is engaged in the business of trading of beauty products and equipments.

Mr. Prafull Dwivedi is the manager of VLCC Middle East.

Capital structure and shareholding pattern

The authorised share capital of VLCC Middle East is 300,000 AED divided into 300 shares of 1,000 AED each. The issued, subscribed and paid-up capital is 300,000 AED divided into 300 shares of 1,000 AED each.

The shareholding pattern of VLCC Middle East as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of 1,000 AED each	Percentage of issued capital
1.	VLCC International Inc.	147	49.00
2.	Mr. Abdel Rahman Ibrahim Abdel Aziz Shuhail (Sponsor)	153	51.00**
Total		300	100.00

** Pursuant to an agreement entered into with Mr. Abdel for the balance 51.00% shareholding not held by us, the risks and rewards of the business rests entirely with VLCC International Inc. and accordingly VLCC International Inc. has 100% economic interest in VLCC Middle East.

9. VLCC Europe Limited

Corporate information

VLCC Europe Limited was incorporated on July 3, 2003 under the Companies Act 1985. Its registration number is 4820568 (for England and Wales) and its registered office is situated at 1 Doughty Street, London WC1N 2PH.

VLCC Europe Limited is enabled under its objects to carry on the business of general commercial company, but is currently not engaged in any business activities and is a dormant company.

The board of directors of VLCC Europe Limited comprises Mr. Sandeep Ahuja.

Capital structure and shareholding pattern

The authorised share capital of VLCC Europe Limited is 1,000,000 GBP divided into 1,000,000 shares of 1 GBP each. The issued, subscribed and paid-up capital is one share of 1 GBP.

The shareholding pattern of VLCC Europe Limited as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of 1 GBP each	Percentage of issued capital
1.	VLCC International Inc.	1	100.00
Total		1	100.00

10. VLCC International Limited Liability Company (“VLCC Oman”)

Corporate information

VLCC Oman was incorporated on September 1, 2007 under the laws of the Sultanate of Oman. Its commercial registration number is 1027262, and is currently in the process of being renewed. Its principal office is situated at P.O. Box 1039, Postal Code 117, Shatti al Qurum, Sultanate of Oman and its main office is situated at Way no. 1622, Building no. 1596, Qurum, Sultanate of Oman.

VLCC Oman is enabled under its objects to carry on the business of owning, managing and operating slimming and weight management centres and clinics, which is also the business it is currently engaged in.

Mr. Prafull Dwivedi is the manager of VLCC Oman.

Capital structure and shareholding pattern

The authorised share capital of VLCC Oman is Omani Rial 150,000 divided into 150,000 shares of Omani Rial 1 each. The issued, subscribed and paid-up capital is 150,000 divided into 150,000 shares of Omani Rial 1 each.

The shareholding pattern of VLCC Oman as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of Omani Rial 1 each	Percentage of issued capital
1.	VLCC International Inc.	105,000	70.00
2.	Mr. Saeed Mubarak Juma Bahwan Al Mukhaini (Sponsor)	45,000	30.00*
Total		150,000	100.00

* Pursuant to an agreement between VLCC International Inc. and Mr. Saeed for the balance 30.00% shareholding not held by us, the risks and rewards of the business rests entirely with VLCC International Inc. and accordingly VLCC International Inc. has 100.00% economic interest in VLCC Oman.

11. VLCC International (Bahrain) W.L.L. (“VLCC Bahrain”)

Corporate information

VLCC Bahrain was incorporated on May 15, 2008 under the laws of the Kingdom of Bahrain. Its commercial registration number is 68689 and its registered office is situated at Flat/Shop No. 1, Building No.162, Road No. 66, Block No. 362, Bilad Al Qadeem, Kingdom of Bahrain.

VLCC Bahrain is enabled under its objects to carry on the business of operating and managing skin care centres, which is also the business it is currently engaged in.

The board of directors of VLCC Bahrain comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Ms. Marwa Abdulnabi Abdulla Alshoala.

Capital structure and shareholding pattern

The authorised share capital of VLCC Bahrain is BHD 20,000 divided into 200 shares of BHD 100 each. The issued, subscribed and paid-up capital is BHD 20,000 divided into 200 shares of BHD 100 each.

The shareholding pattern of VLCC Bahrain as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of BHD 100 each	Percentage of issued capital
1.	AI Fanar Investments Holding Company B.S.C.(c)	102	51.00*
2.	VLCC International Inc.	98	49.00
Total		200	100.00

* Pursuant to an agreement entered into with AI Fanar Investments Holding Company B.S.C.(c) with respect to the balance 51.00% shareholding not held by us, the risks and reward of the business vest entirely with us and accordingly we have 100.00% economic interest in VLCC Bahrain.

12. VLCC International Qatar Co. - W.L.L. (“VLCC Qatar”)

Corporate information

VLCC Qatar was incorporated on April 18, 2010 under the laws of the State of Qatar. Its commercial registration number is 45699 and its registered office is situated at P.O. Box 16380, Area No.55, Al Waab Street, Doha, Qatar.

VLCC Qatar is enabled under its objects to carry on the business of owning, operating and managing health centres, fitness centres, beauty salons and slimming centres, which is also the business it is currently engaged in.

Mr. Sandeep Ahuja is the manager of VLCC Qatar.

Capital structure and shareholding pattern

The authorised share capital of VLCC Qatar is QAR 200,000 divided into 100 shares of QAR 2,000 each. The issued, subscribed and paid-up capital is QAR 200,000 divided into 100 shares of QAR 2,000 each.

The shareholding pattern of VLCC Qatar as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of QAR 2,000 each	Percentage of issued capital
1.	VLCC International Inc.	49	49.00
2.	International Project Development Co.	51	51.00*
Total		100	100.00

* Pursuant to an agreement entered into with International Project Development Co. with respect to the balance 51.00% shareholding not held by us, the risks and reward of the business vest entirely with us and accordingly we have 100.00% economic interest in VLCC Qatar.

13. VLCC Overseas Limited

Corporate information

VLCC Overseas Limited was incorporated on May 3, 2010 under the laws of the United Arab Emirates. Its license number is 138362 and its registered office is situated at P.O. Box 43630, Dubai, United Arab Emirates.

VLCC Overseas Limited is enabled under its objects to carry on the business of an investment and holding company, which is also the business it is currently engaged in.

The board of directors of VLCC Overseas Limited comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Mr. Mukesh Luthra.

Capital structure and shareholding pattern

The authorised share capital of VLCC Overseas Limited is AED 10,000 divided into 1,000 shares of AED 10 each. The issued and paid-up capital is AED 10,000 divided into 1,000 shares of AED 10 each.

The shareholding pattern of VLCC Overseas Limited as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of AED 10 each	Percentage of issued capital
1.	VLCC International Inc.	1,000	100.00
Total		1,000	100.00

14. VLCC Healthcare (Bangladesh) Private Limited (“VLCC Healthcare Bangladesh”)

Corporate information

VLCC Healthcare Bangladesh was incorporated on June 20, 2010 under the laws of Bangladesh. Its registration number is C-85212/10 and its registered office is situated at RM Center, 4th Floor, House No. 101, Gulshan Avenue, Gulshan II, Dhaka 1212, Bangladesh.

VLCC Healthcare Bangladesh is enabled under its objects to carry on the business of running health clubs, beauty parlours and yoga centres, which is also the business it is currently engaged in.

The board of directors of VLCC Healthcare Bangladesh comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Mr. Narinder Kumar.

Capital structure and shareholding pattern

The authorised share capital of VLCC Healthcare Bangladesh is TK 100,000,000 divided into 1,000,000 equity shares of TK 100 each. The issued, subscribed and paid-up capital is 83,902,800 divided into 839,028 equity shares of TK 100 each.

The shareholding pattern of VLCC Healthcare Bangladesh as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of TK 100 each	Percentage of issued capital
1.	VLCC Overseas Limited [#]	839,027	100.00
2.	Mr. Sandeep Ahuja [*]	1	Negligible
Total		839,028	100.00

^{*} Shareholder as well as a nominee of VLCC Overseas Limited.

[#] Represented by Mr. Sandeep Ahuja and Mr. Narinder Kumar.

15. VLCC Healthcare Egypt LLC

Corporate information

VLCC Healthcare Egypt LLC was incorporated on October 17, 2010 under the laws of Egypt. Its commercial registration number is 48552 and its registered office is situated at 47th Building, First Sector of the North 90 Street, the City Centre, Fifth Settlement, New Cairo, Egypt.

VLCC Healthcare Egypt LLC is enabled under its objects to carry on the business of establishing and operating beauty and body care centres, but is not currently engaged in any activities and is a dormant company.

The board of directors of VLCC Healthcare Egypt LLC comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Mr. Tarek Ashour Morsi Salama.

Capital structure and shareholding pattern

The authorised share capital of VLCC Healthcare Egypt LLC is EGP 60,000 divided into 600 shares of EGP 100 each. The issued, subscribed and paid-up capital is EGP 60,000 divided into 600 shares of EGP 100 each.

The shareholding pattern of VLCC Healthcare Egypt LLC as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of EGP 100 each	Percentage of issued capital
1.	VLCC International Inc.	594	99.00
2.	VLCC Overseas Limited	6	1.00
Total		600	100.00

16. VLCC Healthcare Lanka (Private) Limited (“VLCC Healthcare Lanka”)

Corporate information

VLCC Healthcare Lanka was incorporated on June 23, 2010 under the laws of Sri Lanka. Its registration number is PV 72849 and its registered office is situated at No.14, Wijerama Mawatha, Colombo 7, Sri Lanka.

VLCC Healthcare Lanka is enabled under its objects to carry on the business of beauty and health related service, which is also the business it is currently engaged in.

The board of directors of VLCC Healthcare Lanka comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Mr. Narinder Kumar (with Mr. Gurusharan Singh Kochar as an alternate director to Mr. Narinder Kumar).

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of VLCC Healthcare Lanka is LKR 90,515,010 divided into 9,051,501 equity shares of LKR 10 each.

The shareholding pattern of VLCC Healthcare Lanka as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of LKR 10 each	Percentage of issued capital
1.	VLCC Overseas Limited	9,051,501	100.00
Total		9,051,501	100.00

17. VLCC Education Lanka (Private) Limited (“VLCC Education”)

Corporate information

VLCC Education was incorporated on July 13, 2010 under the laws of Sri Lanka. Its registration number is 73162 and its registered office is situated at No. 14, Wijerama Mawatha, Colombo 7, Sri Lanka.

VLCC Education is enabled under its objects to carry on the business of running training institute to provide vocational courses in beauty therapy, hair dressing and make up but is not currently engaged in any activities.

The board of directors of VLCC Education comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Mr. Narinder Kumar (with Mr. Gurusharan Singh Kochar as an alternate director to Mr. Narinder Kumar).

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of VLCC Education is one equity share of LKR 10.

The shareholding pattern of VLCC Education as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of LKR 10 each	Percentage of issued capital
1.	VLCC Overseas Limited	1	100.00
Total		1	100.00

18. VLCC Singapore Pte. Ltd. (“VLCC Singapore”)

Corporate information

VLCC Singapore was incorporated on April 23, 2010 under the laws of the Republic of Singapore. Its registration number is 201008712K and its registered office is situated at 237 Pandan Loop, Westech Building, No. 05-03, Singapore 128424.

VLCC Singapore is enabled under its objects to carry on the business of general wholesale trade (including general importers and exporters), which is also the business it is currently engaged in.

The board of directors of VLCC Singapore comprises the following persons:

1. Mr. Mukesh Luthra;
2. Mr. Sandeep Ahuja;
3. Mr. Rajat Mathur; and
4. Mr. Narinder Kumar.

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of VLCC Singapore is divided into one share of USD 1 and 1,721,404 shares of SGD 1 each.

The shareholding pattern of VLCC Singapore as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of USD 1 each	Percentage of issued capital
1.	VLCC International Inc.	1	100.00
Total		1	100.00

S. No.	Name of shareholder	No. of shares of SGD 1 each	Percentage of issued capital
1.	VLCC International Inc.	1,721,404	100.00
Total		1,721,404	100.00

19. VLCC Personal Care (Bangladesh) Private Limited (“VLCC Bangladesh”)

Corporate information

VLCC Bangladesh was incorporated on August 5, 2012 under the laws of Bangladesh. Its registration number is C-103876/12 and its registered office is situated at RM Center, 4th floor, House #101, Gulshan Avenue, Gulshan-2, Daka 1212, Bangladesh.

VLCC Bangladesh is enabled under its objects to carry on the business of manufacturing and processing personal care, beauty care and cosmetics products and import and export of the same, which is also the business it is currently engaged in.

The board of directors of VLCC Bangladesh comprises the following persons:

1. Mr. Sandeep Ahuja
2. Mr. Ashutosh Bhardwaj;
3. Dr. A.H. Zaidi; and
4. Mr. Rajat Mathur.

Capital structure and shareholding pattern

The authorised share capital of VLCC Bangladesh is TK 50,000,000 divided into 500,000 equity shares of TK 100 each. The issued, subscribed and paid-up capital is 11,310,500 divided into 113,105 equity shares of TK 100 each.

The shareholding pattern of VLCC Bangladesh as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of TK 100 each	Percentage of issued capital
1.	VLCC Overseas Limited*	113,104	100.00
2.	Mr. Sandeep Ahuja	1	Negligible
Total		113,105	100.00

* Represented by Mr. Rajat Mathur, Mr. Ashutosh Bhardwaj and Mr. A.H. Zaidi .

20. Wyann International (M) Sdn Bhd (“Wyann”)

Corporate information

Wyann was incorporated on May 25, 2010 under the laws of Malaysia. Its registration number is 902187-V and its registered office is situated at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia.

Pursuant to a share purchase agreement dated October 5, 2012 amongst VLCC International Inc., Wyann and Mr. Wang Li, Ms. Yap Yann Fang, Mr. Chong Boo Wan, Mr. Wong Tze Peng, Mr. Charlie Ching Wee Chun (collectively, the “**Sellers**”), on October 25, 2012, VLCC International Inc. purchased 380,000 equity shares of Wyann from the Sellers, constituting 76% of its issued, subscribed and paid-up capital for a total consideration of MYR 4.56 million.

Wyann is enabled under its objects to carry on the business of establishing and operating slimming centres and health studios as also manufacturing and trading in beauty products, and is currently engaged in the business of establishing and operating slimming and beauty care centres.

The board of directors of Wyann comprises the following persons:

1. Mr. Sandeep Ahuja
2. Mr. Narinder Kumar;
3. Mr. Sanjeev Setia; and
4. Ms. Yap Yann Fang.

Capital structure and shareholding pattern

The authorised share capital of Wyann is RM 500,000 divided into 500,000 shares of RM 1 each and its issued capital is RM 500,000 divided into 500,000 shares of RM 1 each.

The shareholding pattern of Wyann as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of RM 1 each	Percentage of issued capital
1.	VLCC International Inc.	380,000	76.00
2.	Ms. Yap Yann Fang	120,000	24.00
Total		500,000	100.00

21. Skin Nutrition Asia Pacific Sdn Bhd (“SNAP”)

Corporate information

SNAP was incorporated on September 15, 2010 under the laws of Malaysia. Its registration number is 914906-V and its registered office is situated at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia.

SNAP is enabled under its objects to carry on the business of trading in slimming and facial products, but is currently not engaged in any business activities.

The board of directors of SNAP comprises the following persons:

1. Mr. Sanjeev Setia; and
2. Ms. Yap Yann Fang.

Capital structure and shareholding pattern

The authorised share capital of SNAP is RM 100,000 divided into 100,000 shares of RM 1 each. The issued, subscribed and paid-up capital is RM 100,000 divided into 100,000 shares of RM 1 each.

The shareholding pattern of SNAP as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of RM 1 each	Percentage of issued capital
1.	Wyann International (M) Sdn Bhd	50,000	50.00
2.	Skin Nutrition INC	50,000	50.00
Total		100,000	100.00

22. Global Vantage Innovative Group Pte Ltd (“GVig”)

Corporate information

GVig was incorporated on October 19, 2011 under the laws of the Republic of Singapore. Its registration number is 201131279N and its registered office is situated at 237 Pandan Loop, Westech Building, No. 05-03, Singapore 128424.

Pursuant to a share purchase agreement dated July 23, 2013, amongst VLCC Singapore Pte. Ltd., GVig, Ms. Song Mei Cheng and Mr. Goo Tech Bing, Mdm. Leyau Ah Hwa, Mr. KO Chaun Aun, Ms. Le Hoai ANH (collectively, the “**Sellers**”), on September 2, 2013, VLCC Singapore Pte. Ltd. purchased 3,478,660 ordinary shares of GVig, constituting 80% of its issued, subscribed and paid-up capital. Further, pursuant to a share transfer deed, Ms. Song Mei Cheng transferred 217,416 ordinary shares constituting 5% of the total paid up capital of GVig to VLCC Singapore Pte. Ltd. on October 9, 2014.

GVig is enabled under its objects to carry on the business of other investment holding companies, which is also the business it is currently engaged in.

The board of directors of GVig comprises the following persons:

1. Mr. Rajat Mathur; and
2. Ms. Song Mei Cheng.

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of GVig is SGD 4,348,325 divided into 4,348,325 ordinary shares of SGD 1 each.

The shareholding pattern of GVig as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of ordinary shares of SGD 1 each	Percentage of issued capital
1.	VLCC Singapore Pte. Ltd.	3,696,076	85.00
2.	Ms. Song Mei Cheng	652,249	15.00
Total		4,348,325	100.00

23. Bellewave Cosmetic Pte. Ltd. (“Bellewave”)

Corporate information

Bellewave was incorporated on February 23, 2004 under the laws of the Republic of Singapore. Its registration number is 200402006K and its registered office is situated at 237 Pandan Loop, Westech Building, No. 05-03, Singapore 128424.

Bellewave is enabled under its objects to carry on the business of manufacture and wholesale of cosmetics and toiletries, which is also the business it is currently engaged in.

The board of directors of Bellewave comprises the following persons:

1. Mr. Rajat Mathur; and
2. Ms. Song Mei Cheng.

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of Bellewave is SGD 2,071,561 divided into 482,690 shares of SGD 4.29 each.

The shareholding pattern of Bellewave as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of SGD 4.29 each	Percentage of issued capital
1.	Global Vantage Innovative Group Pte Ltd	482,690	100.00
Total		482,690	100.00

24. Celblos Dermal Research Centre Pte. Ltd. (“Celblos”)

Corporate information

Celblos was incorporated on September 21, 2005 under the laws of the Republic of Singapore. Its registration number is 200513140H and its registered office is situated at 237 Pandan Loop, No. 05-03 Westech Building, Singapore 128424.

Celblos is enabled under its objects to carry on the business of trading and distribution of beauty products and providing consultancy services in relation to beauty products and solutions, which is also the business it is currently engaged in as it operates our manufacturing unit in Singapore.

The board of directors of Celblos comprises the following persons:

1. Mr. Rajat Mathur; and
2. Ms. Song Mei Cheng.

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of Celblos is SGD 1,000,000 divided into 1,000,000 shares of SGD 1 each.

The shareholding pattern of Celblos as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of SGD 1 each	Percentage of issued capital
1.	Global Vantage Innovative Group Pte Ltd	1,000,000	100.00
Total		1,000,000	100.00

25. Excel Beauty Solution Sdn Bhd (“Excel Beauty”)

Corporate information

Excel Beauty was incorporated on October 14, 2004 under the laws of Malaysia. Its registration number is 669389K and its registered office is situated at No 9, Jalan Indah16 Taman Cheras Indah, 56100 , Kuala Lumpur, Wilayah Persekutuan, Malaysia.

Excel Beauty is enabled under its objects to carry on the business of trading of cosmetics, which is also the business it is currently engaged in.

The board of directors of Excel Beauty comprises the following persons:

1. Ms. Song Mei Ping;
2. Mr. Rajat Mathur; and
3. Ms. Song Mei Cheng.

Capital structure and shareholding pattern

The authorised share capital of Excel Beauty is RM 100,000 divided into 100,000 equity shares of RM 1 each. The issued, subscribed and paid-up capital is RM 10,000 divided into 10,000 equity shares of RM 1 each.

The shareholding pattern of Excel Beauty as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of equity shares of RM 1 each	Percentage of issued capital

S. No.	Name of shareholder	No. of equity shares of RM 1 each	Percentage of issued capital
1.	Celblos Dermal Research Centre Pte. Ltd.	10,000	100.00
Total		10,000	100.00

26. Enavose Life Science Research Pte Ltd (“Enavose”)

Corporate information

Enavose was incorporated on January 24, 2011 under the laws of the Republic of Singapore. Its registration number is 201102170D and its registered office is situated at 237 Pandan Loop, Westech Building, No. 05-03, Singapore 128424.

Enavose is enabled under its objects to carry on the business of wholesale of cosmetics and toiletries and also involve in the research and experimental development on biotechnology, life and medical science, which is also the business it is currently engaged in.

The board of directors of Enavose comprises the following persons:

1. Mr. Rajat Mathur; and
2. Ms. Song Mei Cheng.

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of Enavose is SGD 1,000,000 divided into 1,000,000 shares of SGD 1 each.

The shareholding pattern of Enavose as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of SGD 1 each	Percentage of issued capital
1.	Global Vantage Innovative Group Pte Ltd	1,000,000	100.00
Total		1,000,000	100.00

27. VLCC Wellness (East Africa) Limited (“VLCC East Africa”)

Corporate information

VLCC East Africa was incorporated on June 6, 2013 under the laws of Kenya. Its registration number is CPR/2013/105068 and its registered office is situated at L.R. No. 205/49, 49 Riverside Drive, Nairobi P.O. Box 55358-00200, Nairobi.

VLCC East Africa is enabled under its objects to carry on the business of ownership and management of slimming and weight management, beauty centres, clinics and salons, wellness, rehabilitation and fitness centres, Moroccan and Eastern Bath Facilities, derma skin care facilities, massage and relaxation centres, educational and vocational training institutes, which is also the business it is currently engaged in.

The board of directors of VLCC East Africa comprises the following persons:

1. Mr. Ashish Chaddha;
2. Mr. Sameer Naushad Merali;
3. Mr. Sandeep Ahuja;
4. Mr. Prafull Dwivedi;
5. Mr. Gaurav Lavania; and
6. Mr. Akif Hamid Butt.

Capital structure and shareholding pattern

The authorised share capital of VLCC East Africa is KES 1,000,000 divided into 100,000 shares of KES 10 each. The issued, subscribed and paid-up capital is KES 1,000,000 divided into 100,000 shares of KES 10 each.

The shareholding pattern of VLCC East Africa as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of KES 10 each	Percentage of issued capital
1.	VLCC International Inc.	70,000	70.00
2.	Yana Investments Limited	30,000	30.00
Total		100,000	100.00

28. VLCC Wellness (M) Sdn. Bhd. (“VLCC Wellness Malaysia”)

Corporate information

VLCC Wellness Malaysia was incorporated on February 28, 2013 under the laws of Malaysia with the Companies Commission of Malaysia. Its registration number is 1036448K and its registered office is situated at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia.

VLCC Wellness Malaysia is enabled under its objects to carry on the business of slimming, weight management and beauty services, but is not currently engaged in any activities.

The board of directors of VLCC Wellness Malaysia comprises the following persons:

1. Mr. Sandeep Ahuja;
2. Mr. Narinder Kumar;
3. Mr. Sanjeev Setia; and
4. Mr. Viswanathan AL Subramaniam.

Capital structure and shareholding pattern

The authorised share capital of VLCC Wellness Malaysia is RM 1,000,000 divided into 1,000,000 shares of RM 1 each. The issued, subscribed and paid-up capital is RM 100 divided into 100 shares of RM 1 each.

The shareholding pattern of VLCC Wellness Malaysia as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of RM 1 each	Percentage of issued capital
1.	VLCC Singapore Pte. Ltd.	99	99.00
2.	Mr. Sanjeev Setia*	1	1.00
Total		100	100.00

* Holding the equity share as a nominee of VLCC Singapore Pte. Ltd.

29. VLCC International - Kuwait Health Care Institute Limited Liability Company (“VLCC International Kuwait”)

Corporate information

VLCC International Kuwait was incorporated on January 13, 2014 under the laws of the State of Kuwait. Its commercial registration number is 350678 and its registered office is situated at Al-Salmiya, Baghdad Street, Block 9, Building No. 510, Kuwait.

VLCC International Kuwait is enabled under its objects to carry on the business of health care institute and ladies beauty salon, which is also the business it is currently engaged in.

The board of directors of VLCC International Kuwait comprises Mr. Luai Abdul Aziz Khalid Abdul Razak.

Capital structure and shareholding pattern

The issued, subscribed and paid-up capital of VLCC International Kuwait is KWD 25,000 divided into 100 shares of KWD 250 each.

The shareholding pattern of VLCC International Kuwait as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of KWD 250 each	Percentage of issued capital
1.	VLCC International Inc.	49	49.00
2.	Mr. Luai Abdul Aziz Khalid Abdul Razak	51	51.00*
Total		100	100.00

* Pursuant to an agreement entered into with Mr. Luai Abdul Aziz Khalid Abdul Razak with respect to the balance 51% shareholding not held by us, the risks and reward of the business vest entirely with us and accordingly we have 100% economic interest in VLCC International Kuwait.

30. VLCC Holding (Thailand) Co., Ltd. (“VLCC Thailand”)

Corporate information

VLCC Thailand was incorporated on November 18, 2014 under the laws of the Kingdom of Thailand. Its registration number is 0105557170714 and its registered office is situated at 170/63 Ocean Tower 1 Building, 20th Floor, New Ratchadapisek Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok - 10110.

VLCC Thailand is enabled under its objects to carry on the business of sale, distribution and retail of skincare, healthcare and other beauty slimming products, but is currently not engaged in any business activities.

The board of directors of VLCC Thailand comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Mr. Rakesh Kumar.

Capital structure and shareholding pattern

The authorised capital of VLCC Thailand is THB 510,000 divided into 25,551 class A preference shares of THB 10 each and 25,449 class B ordinary shares of THB 10 each. The issued, subscribed and paid-up capital is TBH 510,000 divided into 25,551 class A preference shares of TBH 10 each and 25,449 class B ordinary shares of TBH 10 each.

The shareholding pattern of VLCC Thailand as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of TBH 10 each	Percentage of issued capital
<i>Class A preference shares</i>			
1.	Roxland International Co. Ltd.	25,551	50.10
<i>Class B ordinary shares</i>			
2.	VLCC Singapore Pte. Ltd.	25,448	49.90
3.	Mr. Sandeep Ahuja	1	Negligible
Total		51,000	100.00

31. VLCC Wellness (Thailand) Co., Ltd. (“VLCC Wellness Thailand”)

Corporate information

VLCC Wellness Thailand was incorporated on December 1, 2014 under the laws of the Kingdom of Thailand. Its registration number is 0105557178227 and its registered office is situated at 170/63 Ocean Tower 1 Building, 20th

Floor, New Ratchadapisek Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok - 10110.

VLCC Wellness Thailand is enabled under its objects to carry on the business of sale, distribution and retail of skincare, healthcare and other beauty slimming products, which is also the business it is currently engaged in.

The board of directors of VLCC Wellness Thailand comprises the following persons:

1. Mr. Sandeep Ahuja; and
2. Rakesh Kumar.

Capital structure and shareholding pattern

The authorised capital of VLCC Wellness Thailand is THB 1,000,000 divided into 100,000 shares of TBH 10 each. The issued, subscribed and paid-up capital is TBH 1,000,000 divided into 50,100 class A ordinary shares of TBH 10 each and 49,900 class B ordinary shares of TBH 10 each.

The shareholding pattern as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of TBH 10 each	Percentage of issued capital
<i>Class A ordinary shares</i>			
1.	VLCC Holding (Thailand) Co., Ltd.	50,100	50.10
<i>Class B ordinary shares</i>			
2.	VLCC Singapore Pte. Ltd.	49,899	49.90
3.	Mr. Sandeep Ahuja	1	Negligible
Total		100,000	100.00

Shareholding of our Directors in our Subsidiaries

Except as disclosed below, none of our Directors hold shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus.

Name of Director	Name of Subsidiary	No. of securities	Percentage of issued capital of the Subsidiary
Mr. Mukesh Luthra	V.L.C.C. India Limited	4,501 ⁽¹⁾	5.00
	VLCC Personal Care Limited	1 ⁽²⁾	Negligible
	VLCC Retail Limited	1 ⁽²⁾	Negligible
Mr. Sandeep Ahuja	VLCC Wellness Research Centre Private Limited	1 ⁽³⁾	0.02
	VLCC Personal Care Limited	1 ⁽²⁾	Negligible
	VLCC Retail Limited	1 ⁽²⁾	Negligible
	V.L.C.C. India Limited	1 ⁽²⁾	Negligible
	VLCC Healthcare (Bangladesh) Private Limited	1 ⁽⁴⁾	Negligible
	VLCC Personal Care (Bangladesh) Private Limited	1 ⁽⁴⁾	Negligible
	VLCC Holding (Thailand) Co., Ltd.	1*	Negligible
	VLCC Wellness (Thailand) Co., Ltd.	1*	Negligible

⁽¹⁾ Holding one equity share (out of the total 4,501 equity shares) as a nominee shareholder of our Company.

⁽²⁾ Holding the equity share as nominee shareholders of our Company.

⁽³⁾ Holding the equity share as a nominee shareholder of our Subsidiary, VLCC Personal Care Limited.

⁽⁴⁾ Holding the equity share as nominee shareholders of our Subsidiary, VLCC Overseas Limited.

* Class B ordinary share.

Confirmations

Sale of shares of our Subsidiaries by our Promoters

In respect of our Subsidiaries, Ms. Vandana Luthra sold 4,999 equity shares of our Subsidiary, VLCC Wellness Research Centre Private Limited to our Subsidiary, VLCC Personal Care Limited for a total consideration of ₹ 149.97 million on December 9, 2014.

Sale or purchase of shares of our Subsidiaries during the last six months

Neither our Promoters, nor the members of our Promoter Group or our Directors or their relatives have sold or purchased securities of our Subsidiaries during the six months preceding the date of this Draft Red Herring Prospectus.

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad.

Sick Subsidiaries

None of our Subsidiaries have become sick companies under the meaning of SICA and no winding up proceedings have been initiated against them.

Loss making Subsidiaries

Certain of our Subsidiaries have incurred losses in the last completed Fiscal Year. Provided below are the profit/ loss details of our Subsidiaries for Fiscal Years 2015, 2014 and 2013 and financial years, as applicable:

Name of Subsidiary	Currency	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
V.L.C.C. India Limited	₹	(12,856)	(8,764)	(9,089)
VLCC Retail Limited	₹	(16,853)	(5,618)	(9,089)
VLCC International Inc.	AED	(644,689)	(510,366)	(326,145)
VLCC International (Bahrain) W.L.L.	BHD	(193,295)	(12,753)	(92,232)
VLCC Wellness (East Africa) Limited	KES	(8,634,367)	NA*	NA*
VLCC International - Kuwait Health Care Institute Limited Liability	KWD	(204,919)	NA*	NA*
VLCC Healthcare Lanka (Private) Limited	LKR	(8,705,337)	(7,028,519)	(3,691,058)
VLCC Education Lanka (Private) Limited	LKR	(92,617)	(89,338)	(188,784)
VLCC Personal Care (Bangladesh) Private Limited	BDT	(6,196,020)	(5,133,887)	(360,304)
VLCC (Middle East) L.L.C.	AED	(4,467,163)	(3,325,780)	214,416
VLCC Singapore Pte. Ltd.	SGD	(147,917)	(58,624)	(57,904)
VLCC Wellness (M) Sdn. Bhd.	RM	(5,963)	(19,076) [#]	(6,900)
Global Vantage Innovative Group Pte Ltd	SGD	(14,290)	(8,255)	79,492
Bellewave Cosmetic Pte. Ltd.	SGD	(97,822)	(587,018) ^{##}	1,044,705
Enavose Life Science Research Pte Ltd	SGD	(84,318)	(29,592)	(294,401)
Excel Beauty Solution Sdn Bhd	RM	(4,137)	26,523	(3,400)
VLCC Holding (Thailand) Co., Ltd.	THB	(79,759)	NA*	NA*
VLCC Wellness (Thailand) Co., Ltd.	THB	(620,420)	NA*	NA*
Wyann International (M) Sdn Bhd	RM	(215,308)	44,776	(2,516,639) ^{**}
Skin Nutrition Asia Pacific Sdn Bhd	RM	(7,510)	(98,465)	13,727 ^{**}

* These companies commenced operations in Fiscal Year 2014 or Fiscal Year 2015.

** For Fiscal Year 2013 audited numbers are for the nine month period beginning July 2012 and ending March 2013.

[#] For Fiscal Year 2014 audited numbers are for the thirteen month period beginning February 2013 and ending March 2014.

^{##} This loss is from continuing operations.

There are no accumulated profits or losses of our Subsidiaries not accounted for by our Company.

Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

There have been no sales or purchase among our Subsidiaries and/or our Associate Company which in aggregate

exceed in value 10% of the total sales or purchases of our Company as on the date of our last restated standalone financial information and consolidated restated financial information.

Common pursuits

Our Subsidiaries, VLCC India, VLCC Wellness Research, VLCC Healthcare Bangladesh, VLCC Healthcare Egypt LLC, VLCC Healthcare Lanka, VLCC International Kuwait, VLCC Bahrain, VLCC International LLC, VLCC Oman, VLCC Qatar, Wyann, VLCC Wellness Malaysia, VLCC Education and VLCC East Africa are enabled under their objects to carry out the same business activities as that of our Company including owning, managing and operating fitness, beauty, wellness and health centres. However, in case of VLCC India, VLCC Wellness Research and VLCC Healthcare Egypt there is no conflict of interest as they are not undertaking any business activities and in case of VLCC International LLC, VLCC Oman, VLCC Qatar, Wyann, VLCC Wellness Malaysia, VLCC Education, VLCC East Africa, VLCC Healthcare Bangladesh, VLCC Healthcare Lanka, VLCC International Kuwait and VLCC Bahrain there is no conflict of interest as these entities carry on such activities in jurisdictions other than where our Company operates. For further details see “*Subsidiaries of our Company*” on page 188.

Joint Ventures of our Company

VLCC Caregen Private Limited

VLCC Caregen Private Limited was incorporated on July 27, 2015 under the Companies Act, 2013, pursuant to a joint venture agreement dated February 24, 2015 amongst Caregen Co. Ltd. and our Company, as amended by an addendum dated June 5, 2015 for marketing and distribution of products such as “Dermaheal Eye Filler Mask”, “Dermaheal”, “RENOKIN” and “DR.CYJ” on an exclusive basis in certain regions Asia (including India), North Africa and East Africa. Its CIN is U74999HR2015PTC056184. The registered office of VLCC Caregen Private Limited is situated at 64, HSIIDC, Maruti Industrial Area, Sector 18, Gurgaon 122 015, India, which is also our Corporate Office.

VLCC Caregen Private Limited is enabled under its objects, *inter alia*, to carry on the business of sale, marketing and distribution of beauty products, healthcare products and skin care products and is currently not engaged in any business activities.

The board of directors of VLCC Caregen Private Limited comprises the following persons:

1. Mr. Sandeep Ahuja;
2. Mr. Yong Ji Chung;
3. Mr. Ashutosh Bhardwaj; and
4. Ms. Heesook RA.

Capital Structure and Shareholding Pattern

The authorized share capital of VLCC Caregen Private Limited is ₹ 500,000 divided into 50,000 equity shares of ₹ 10 each and its issued, subscribed and paid up capital is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of VLCC Caregen Private Limited as of July 31, 2015 is as follows:

S. No.	Name of shareholder	No. of shares of ₹ 10 each	Percentage of issued capital
1.	VLCC Health Care Limited	5,000	50.00
2.	Caregen Co. Limited	5,000	50.00
Total		10,000	100.00

Losses incurred

VLCC Caregen Private Limited was incorporated on July 27, 2015, and accordingly has not reported financial results as on the date of this Draft Red Herring Prospectus.

Common pursuits

There are no common pursuits between VLCC Caregen Private Limited and our Company.

Profit Making Subsidiaries/ Joint Ventures

The following Subsidiaries and Joint Ventures contributed more than 5% of either revenue/profits after tax/assets of our Company on a consolidated basis for Fiscal Year 2015:

Name of Entity	Currency	Revenue[#] before any elimination and consol adjustment	PAT before any elimination and consol adjustment	Direct / Indirect % shareholding of the Company	Listing status
Subsidiaries					
VLCC Personal Care Limited	INR	2,035,204,877	229,201,447	100.00	Unlisted
Wyann International (M) Sdn Bhd	RM	25,144,127	(215,308)	76.00	Unlisted
VLCC International LLC	AED	63,838,981	5,860,919	100.00	Unlisted
VLCC International Qatar Co. - W.L.L.	QAR	40,239,260	1,580,749	100.00	Unlisted
VLCC International Inc., BVI*	AED	194,876,638	(3,564,961)	100.00	Unlisted
VLCC (Middle East) L.L.C.	AED	23,947,628	(4,467,163)	100.00	Unlisted
VLCC International – Kuwait Health Care Institute LLC	KD	157,162	(204,919)	100.00	Unlisted
Joint Ventures					
Nil	-	-	-	-	-

[#] Includes other income.

* On a consolidated basis.

Strategic and Financial Partnerships

Our Company currently does not have any strategic or financial partners.

OUR MANAGEMENT

Under our Articles, our Company is required to have not less than three Directors and not more than 15 Directors. Our Company currently has eight Directors on its Board.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Mr. Mukesh Luthra <i>Designation:</i> Chairman and Non-executive Director <i>Address:</i> Post Box No. 15818 (Adilya), Building no. 162, Road no. 66, Block no. 362, Bilad Al Qadeem , Zinj, Bahrain <i>Occupation:</i> Business <i>Nationality:</i> Indian, NRI <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 00296830	57	• VLCC Retail Limited • V.L.C.C. India Limited • VLCC Wellness Research Centre Private Limited • Rajawongse Properties & Real Estate Development Private Limited • VLCC International Inc. • VLCC Singapore Pte. Ltd. • VLCC Overseas Limited
Mr. Sandeep Ahuja <i>Designation:</i> Managing Director and Group CEO <i>Address:</i> C-2619, Sushant Lok-1, Gurgaon 122 001, Haryana, India <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> Period of three years ending March 31, 2018 <i>DIN:</i> 00043118	53	• VLCC Personal Care Limited • V.L.C.C. India Limited • VLCC Retail Limited • Rajawongse Properties & Real Estate Development Private Limited • VLCC Wellness Research Centre Private Limited • VLCC Caregen Private Limited • VLCC International Inc. • VLCC Europe Limited • VLCC International (Bahrain) W.L.L. • VLCC Overseas Limited • VLCC Healthcare (Bangladesh) Private Limited • VLCC Healthcare Egypt LLC • VLCC Healthcare Lanka (Private) Limited • VLCC Education Lanka (Private) Limited • VLCC Singapore Pte. Ltd. • VLCC Personal Care (Bangladesh) Private Limited • Wyann International (M) Sdn Bhd • VLCC Wellness (East Africa) Limited • VLCC Wellness (M) Sdn. Bhd. • VLCC Holding (Thailand) Co., Ltd. • VLCC Wellness (Thailand) Co., Ltd.
Mr. Om Prakash Khaitan <i>Designation:</i> Independent Director <i>Address:</i> N-12, Panchsheel Park, New Delhi 110 017, India	71	• Bengal & Assam Company Limited • J.K. Tyre & Industries Limited • ECE Industries Limited • Honda Siel Power Products Limited • Shriram Pistons and Rings Limited • JKT&I Employees Welfare Association Limited

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
<i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Period of five years commencing September 29, 2014, not liable to retire by rotation <i>DIN:</i> 00027798		• Nipshell Builders Private Limited • Sharda Motor Industries Limited • Howden Insurance Brokers India Private Limited <i>Firms</i> • O.P. Khaitan & Co. <i>Trusts</i> • LakshmiPat Singhania Education Foundation • Laxman Public School (Trust) • Ramgarh Education Trust • Sri Mohan Khaitan Charitable Trust
Mr. Sanjay Kapoor <i>Designation:</i> Independent Director <i>Address:</i> 709-A, Beverly Park I, DLF Phase II, Gurgaon 122 002, India <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Period of five years commencing September 9, 2015, not liable to retire by rotation <i>DIN:</i> 01973450	53	• PVR Limited • Bennett Coleman and Company Limited <i>Firms</i> • Z-Axis Management Consultants & Strategic Advisors LLP
Mr. Sanjay Mehta <i>Designation:</i> Independent Director <i>Address:</i> C-6, Ground Floor, Maharani Bagh, New Delhi 110 065, India <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Period of five years commencing September 29, 2014, not liable to retire by rotation <i>DIN:</i> 00297971	52	• BMR Business Solutions Private Limited • BMR Global Services Private Limited • VLCC Personal Care Limited <i>Firms</i> • BMR Advisors
Ms. Shabana Azmi <i>Designation:</i> Independent Director <i>Address:</i> 702, Sagar Samrat, Green Field, Juhu, Mumbai 400 049, Maharashtra, India <i>Occupation:</i> Activist/Actor <i>Nationality:</i> Indian	63	Nil

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
<i>Term:</i> Period of five years commencing September 29, 2014, not liable to retire by rotation <i>DIN:</i> 06551017		
Mr. Sameer Sain <i>Designation:</i> Nominee Director* <i>Address:</i> 341 Bukit Timah Road, No. 07-02 Honolulu Tower, 259 719, Singapore <i>Occupation:</i> Professional <i>Nationality:</i> British <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 01164185	44	• Essay Commercial Resources Private Limited • Indostar Capital Finance Limited • Everstone Capital Asia Pte. Limited • Everstone Capital Management • Indivision Capital Management • Horizon Development Management LLC • Everstone Capital Limited • Everstone Partners Limited • Essay Global Pte. Limited • QSR Asia Pte. Limited • Everstone Holdings Limited
Mr. Alok Oberoi <i>Designation:</i> Nominee Director** <i>Address:</i> 21, Blomfield Road, London W91AD, United Kingdom <i>Occupation:</i> Professional <i>Nationality:</i> British <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 01779655	52	• Indostar Capital Finance Limited • ACPI Holding Limited • ACPI Investments Group Limited • ACP Partners Limited • ACP Partners Strategic Opportunities Fund • ACPI (Corporate Member) Limited • ACP Select Fund Limited • Innopoint Limited • Indivision Capital Management • F&B Asia Ventures Limited • Onegan Limited • Magix Limited • Indostar Capital Limited • Spectrum Fund (SICAV) PLC <i>Firms</i> ACP Investment Partners LLP

* Nominee of Indivision India Partners.

** Nominee of Leon International Limited.

Brief Profiles of our Directors

Mr. Mukesh Luthra is the Chairman of our Board. He has been on the Board of our Company since its incorporation on October 23, 1996 and accordingly has over 18 years of experience in the wellness sector. Mr. Luthra holds an advanced diploma in international business management from the Association of Business Managers & Administrators, United Kingdom.

Mr. Sandeep Ahuja is our Managing Director and Group CEO. He has been associated with our Company since 2002, as a Director since July 29, 2004 and as Managing Director since April 1, 2009. He holds a bachelor's degree in arts (honours) from the University of Delhi and a post graduate diploma in advertising and marketing from the Bharatiya Vidya Bhavan. He has in the past been associated with Lexicon Public Relations & Corporate Consultants as its CEO and for ten years with Escorts Limited. He has over twenty seven years of experience in the wellness, consultancy and manufacturing sectors.

Mr. Om Prakash Khaitan is an Independent Director on our Board. He has been associated with our Company as a Director since January 1, 2002 and as an Independent Director since September 2014. Mr. Khaitan holds a bachelor's degree in commerce from University of Calcutta and a bachelor's degree in law from University of Calcutta. He was enrolled as an advocate with the Bar Council of West Bengal in 1967 and has been practicing as an advocate since then. He has in the past been a member of International Council of Jurists and International Bar Association. He has over 47 years of experience in the field of law.

Mr. Sanjay Kapoor is an Independent Director on our Board and has been associated with our Company since September 9, 2015. He holds a Bachelor's degree in commerce (Hons.) from Delhi University, an MBA from Cranfield School of Management (UK) and is a Graduate of the Wharton Advanced Management Program. He is the former Chairman of Micromax Informatics Limited, prior to which he was the CEO for India and South Asia for Bharti Airtel Limited. He has also served as President and CEO of TeleTech Services (India) Private Limited and as director – operations support in Modi Xerox Limited. He is presently on the Board of Directors of PVR Limited and Bennett Coleman and Company Limited.

Mr. Sanjay Mehta is an Independent Director on our Board. He has been associated with our Company as a Director since August 1, 2004 and as an independent Director since September 2014. He holds a bachelor's degree in commerce from Delhi University and has been an associate member of the Institute of Chartered Accountants of India since January 1986. He has been an associate partner at Arthur Andersen and S.R. Batliboi & Co. LLP, leading their telecommunications industry and business process risk consulting practices. He is a founder partner at BMR Advisors since 2004 and is the leader of their risk advisory practice. He has over 26 years of experience in professional services. His experience includes evaluating businesses for acquisitions by private equity funds and strategic investors, institutionalization of businesses to prepare them for growth and advising Indian and global companies in the areas of enterprise risk management and corporate governance.

Ms. Shabana Azmi is an Independent Director on our Board. She has been associated with our Company as a Director since April 27, 2013 and as an Independent Director since September 2014. She holds a bachelor's degree of arts in psychology from St.Xaviers College, Mumbai. She has more than 40 years of experience in the entertainment industry, having performed in films of a variety of genres. She has won the National Film Award for Best Actress five times, four Filmfare Awards and several international honours such as the Silver Hugo Award for Best Actress at the Chicago International Film Festival, Best Actress Award at Taormina Arte Festival, Italy and outstanding actress in a feature film award at Outfest Los Angeles. She is also a social and women's rights activist, was awarded the Padma Shri from the Government of India in 1988, the Padma Bhushan from the Government of India in 2012, is a Goodwill Ambassador of the United Nations Population Fund and a former member of the Rajya Sabha.

Mr. Sameer Sain is a Nominee Director on our Board. He has been associated with our Company as a Director since April 1, 2008. He holds a bachelor's degree in business administration from the University of Massachusetts at Amherst and a master's in business administration from Cornell University. He is the co-founder and managing partner of Everstone Capital, a private equity and real estate investment firms. Prior to founding Everstone Capital in 2006, he was associated with Goldman Sachs for 11 years as the managing director of their investment management division, headed institutional wealth management as well as the special investments group.

Mr. Alok Oberoi is a Nominee Director on our Board. He has been associated with our Company as a Director since April 23, 2014. He holds a master's in business administration and a bachelor's degree in science from Cornell University. He is the co-founder of ACPI Investments and now serves as its chairman. Prior to founding ACPI, he had been associated with Goldman Sachs for 14 years in various posts including as their co-chief operating officer of global private client services (New York) and head of private client services for Asia (Hong Kong) and finally as the head of their international private wealth management function.

Remuneration details of our Directors:

(a) Remuneration details of our Executive Director

Mr. Sandeep Ahuja has been our Managing Director since April 1, 2009, pursuant to a resolution of our Board dated March 30, 2009 and a resolution of our shareholders dated June 8, 2009. Mr. Sandeep Ahuja was last reappointed as our Managing Director and Group CEO by a resolution of our shareholders at the EGM held on January 27, 2015, for a period of three years with effect from April 1, 2015.

Based on the recommendation of the Nomination and Remuneration Committee, pursuant to a resolution of our Board dated December 26, 2014 as approved by a resolution of our shareholders at the EGM held on January 27, 2015, with effect from April 1, 2015, Mr. Sandeep Ahuja is entitled to a consolidated salary, inclusive of perquisites (other than the use of a Company car, telephone at his residence, contribution for retirement benefits and encashment of un-availed leave), up to a maximum of ₹ 10 million per annum, with a performance bonus up to a maximum of the equivalent of three months' salary and an annual increment of up to 20% over the previous year's consolidated salary, as may be decided by the Nomination and Remuneration Committee. In Fiscal Year 2015, Mr. Sandeep Ahuja was paid a gross remuneration of ₹ 7.86 million.

In addition, Mr. Sandeep Ahuja is entitled to stock options in accordance with the VLCC Stock Option Plan 2007, as amended, subject to the approval of the Nomination and Remuneration Committee, although he does not currently hold any stock options. Further, he currently holds 130,179 Equity Shares of our Company pursuant to exercise of options that were granted to him in the past under such stock option plan.

(b) Remuneration details of our Non-executive and Independent Directors

Our Board, pursuant to resolutions dated July 31, 2014 and September 8, 2015 has approved the payment of sitting fees of ₹ 100,000 and ₹ 50,000 to our independent Directors for attending meetings of our Board and committees, respectively. The non-executive and independent Directors of our Company do not receive any other remuneration.

The details of sitting fees paid to our non-executive and independent Directors are as follows:

Name of Director	Designation	Sitting fees paid in Fiscal Year 2015 (₹)*
Mr. Mukesh Luthra**	Chairman and Non-executive Director	Nil
Mr. Sameer Sain	Nominee Director	Nil
Mr. Alok Oberoi	Nominee Director	Nil
Mr. Sanjay Kapoor	Independent Director	Nil [#]
Mr. Om Prakash Khaitan	Independent Director	420,000
Mr. Sanjay Mehta	Independent Director	320,000
Ms. Shabana Azmi	Independent Director	300,000

* Not adjusted for tax deducted at source.

** Sitting fees is only paid to independent Directors.

[#] Appointed post March 31, 2015.

Remuneration paid or payable from subsidiaries and associate companies

Except Mr. Mukesh Luthra who received USD 300,000 as remuneration in Fiscal Year 2015 from our step down subsidiary, VLCC International LLC, no remuneration has been paid to our Directors by any of our Subsidiaries or our Associate Company.

Bonus or Profit Sharing Plan for the Directors

Except as disclosed above in respect of the remuneration payable to our Managing Director and Group CEO, Mr. Sandeep Ahuja under “– Remuneration details of our Executive Director” above, our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of Directors

The Articles of Association of our Company do not require the Directors to hold any qualification shares. As on the date of this Draft Red Herring Prospectus, except Mr. Mukesh Luthra, who holds 9,178,094 Equity Shares and Mr. Sandeep Ahuja who holds 130,179 in our Company, none of our other Directors hold Equity Shares. For further details see the section titled “*Capital Structure*” on page 78.

As of the date of filing of this Draft Red Herring Prospectus, none of our Directors hold any equity shares of our Associate Company. For details of the shareholding of our Directors in our Subsidiaries see the section titled “*History and Certain Corporate Matters – Shareholding of our Directors in our Subsidiaries*” on page 207.

Relationships between Directors

None of our Directors are related to each other.

Details of Service Contracts

There are no service contracts entered into with any Directors which provide for benefits upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Our Directors may also be regarded as interested in the Equity Shares held by them, as described above in the sub-section “– *Shareholding of our Directors*”, or that may be subscribed by or allotted to them, their relatives, except for Mr. Mukesh Luthra who, together with individual members of the Promoter Group, has undertaken not to participate in the Offer, or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

Our nominee Directors, Mr. Alok Oberoi and Mr. Sameer Sain, nominated pursuant to the terms of the Leon SHA and the Indivision IRA, respectively, are interested to the extent of the shareholding of Leon International Limited and Indivision India Partners in our Company. For further details of these agreements see the section titled “*History and Certain Corporate Matters – Material Agreements*” on page 183.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, held by them, if any as also to the extent of stock options that may be granted to them from time to time under the VLCC Stock Option Plan 2007, if any. For further details regarding the shareholding of our Directors as well as the VLCC Stock Option Plan 2007, see the sections titled “*Capital Structure – Shareholding of our Directors and Key Managerial Personnel*” and “*Capital Structure – Employee Stock Option Schemes*” on pages 87 and 88.

Our Directors, Mr. Mukesh Luthra, Mr. Sandeep Ahuja and Mr. Sanjay Mehta, are also directors and/or promoters of our Group Company and Subsidiaries and may be deemed to be interested to the extent of payments made between our Company and the Group Company or such Subsidiary, if any.

Interest in property

Our Directors have no interest in any property acquired by our Company within two preceding years from the date of filing of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company.

Payment of benefit (non-salary related)

Except as stated in this section, no non-salary related amount or benefits were paid or were intended to be paid to our Directors within the two preceding years from the date of filing of this Draft Red Herring Prospectus.

Appointment of relatives to a place of profit

None of the relatives of the Directors have been appointed to an office or place of profit with our Company.

Business interest

Except as stated in this sub-section, Annexure XX of our restated standalone financial information and Annexure XX of our consolidated restated financial information on pages F-79 and F-41, respectively, our Directors do not have any other interest in our business or our Company.

Directorships of Directors in Listed Companies

Our Directors are not, and for the five years prior to the date of filing the DRHP have not been on the board of any listed company whose shares have been / were suspended from being traded on the BSE Limited or the National Stock Exchange of India Limited.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s).

For details of our Directors' association with the securities market, see the section titled "Other Regulatory and Statutory Disclosures" on page 297.

Changes in our Board during the last three years

Name	Date of Change	Reason
Ms. Shabana Azmi	April 27, 2013	Appointed as an Additional Director [*]
Mr. Alok Oberoi	April 23, 2014	Nominee director appointed by Leon International Limited, Mauritius
Mr. Kamal Oberoi	April 23, 2014	Withdrawal of nomination by Leon International Limited, Mauritius
Ms. Shabana Azmi	September 29, 2014	Re-appointed as an independent Director ^{**}
Mr. Sanjay Mehta	September 29, 2014	Re-appointed as an independent Director ^{**}
Mr. Sumer Datta	September 29, 2014	Re-appointed as an independent Director ^{**}
Mr. Om Prakash Khaitan	September 29, 2014	Re-appointed as an independent Director ^{**}
Mr. Sandeep Ahuja	April 1, 2015	Re-appointed as Managing Director and Group CEO [#]
Mr. Sumer Datta	September 4, 2015	Resignation as an independent Director
Mr. Sanjay Kapoor	September 9, 2015	Appointed as an independent Director

^{*} Appointed as a Director at the meeting of the shareholders of our Company held on September 27, 2013.

^{**} Pursuant to Section 149 of the Companies Act, 2013.

[#] Re-appointed at the EGM held on January 27, 2015, with effect from April 1, 2015.

Borrowing Powers

Pursuant to a resolution of the shareholders of our Company passed at the AGM held on September 29, 2014, the Board has been authorized to borrow sums of money for the purpose of our Company with or without security upon such terms and conditions as the Board may think fit which, together with the moneys borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's banker in the ordinary course of business) shall not exceed the amount of ₹ 2,500 million over and above the aggregate of the paid-up share capital and free reserves of our Company.

Corporate Governance

In addition to applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the Equity Listing Agreements will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Our Chairman is a non-executive Director. Of our current eight Directors, our Company has one executive Director and seven non-executive Directors on our Board, of whom four are independent Directors and one is a woman director. Our Company is in compliance with corporate governance norms prescribed under Clause 49 of the Equity Listing Agreements and the Companies Act, 2013, particularly, in relation to appointment of independent Directors to our Board and constitution of board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the Equity Listing Agreements and the Companies Act, 2013.

In terms of the Equity Listing Agreements and the provisions of the Companies Act, 2013, our Company, through the Board, has constituted the following committees:

- (a) Audit Committee;
- (b) Stakeholder Relationship Committee;
- (c) Nomination and Remuneration Committee; and
- (d) Corporate Social Responsibility Committee.

Audit Committee

The audit committee of our Company (“**Audit Committee**”) was originally constituted on November 3, 2004 and was reconstituted by a resolution of our Board dated July 31, 2014 and its terms of reference were modified by a resolution of our Board dated September 8, 2015. The Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and the Equity Listing Agreements. The Audit Committee currently comprises of:

Name	Position in the committee	Designation
Mr. Sanjay Mehta	Chairman	Independent Director
Mr. Om Prakash Khaitan	Member	Independent Director
Mr. Sameer Sain	Member	Non-executive Director*

*Nominee of Indivision India Partners.

The Company Secretary shall act as secretary to the Audit Committee.

Scope and terms of reference: The Audit Committee would perform the following functions with regard to accounts and financial management:

1. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements

- (vi) Disclosure of any related party transactions; and
 - (vii) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the whistle blower mechanism;
 19. Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and
 21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is also required to mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

Stakeholder Relationship Committee

The stakeholder relationship committee ("**Stakeholder Relationship Committee**") was constituted on August 12, 2015. The Stakeholders Relationship Committee currently comprises of:

Name	Position in the committee	Designation
Mr. Om Prakash Khaitan	Chairman	Independent Director
Mr. Sanjay Mehta	Member	Independent Director
Ms. Shabana Azmi	Member	Independent Director

Name	Position in the committee	Designation
Mr. Sandeep Ahuja	Member	Managing Director and Group CEO

Scope and terms of reference: The Stakeholders Relationship Committee shall be responsible, amongst others, for:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
2. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and
3. Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

Nomination and Remuneration Committee

The remuneration committee and the ESOP compensation committee had been constituted on March 30, 2009 and September 20, 2007, respectively. The remuneration committee was re-designated the nomination and remuneration committee and merged with the ESOP compensation committee by a resolution of our Board dated July 31, 2014 ("**Nomination and Remuneration Committee**") and was reconstituted on September 8, 2015. The Nomination and Remuneration Committee currently comprises of:

Name	Position in the committee	Designation
Mr. Sanjay Kapoor	Chairman	Independent Director
Mr. Om Prakash Khaitan	Member	Independent Director
Mr. Sanjay Mehta	Member	Independent Director
Ms. Shabana Azmi	Member	Independent Director

Scope and terms of reference: The Nomination and Remuneration Committee is responsible, among other things, for:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of the Company;
5. Administering the VLCC Stock Option Plan 2007 (the "**Plan**");
6. Determining the eligibility of employees to participate under the Plan;
7. Granting options to eligible employees and determining the date of grant;
8. Determining the number of options to be granted to an employee.
9. Determining the exercise price under Clause 7 of the Plan;
10. Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;
11. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the Company and its employees, as applicable.

Corporate Social Responsibility Committee

The corporate social responsibility committee of our Company (“**CSR Committee**”) was originally constituted on July 31, 2014 and was reconstituted by a resolution of our Board dated September 8, 2015. The CSR Committee is in compliance with Section 135 of the Companies Act, 2013 and the Equity Listing Agreements. The CSR Committee currently comprises:

Name	Position in the committee	Designation
Mr. Sandeep Ahuja	Chairman	Managing Director and Group CEO
Ms. Shabana Azmi	Member	Independent Director
Mr. Sanjay Kapoor	Member	Independent Director
Mr. Om Prakash Khaitan	Member	Independent Director

Scope and terms of reference:

The terms of reference of the CSR Committee are as listed in Section 135 of the Companies Act, 2013. In addition, the CSR Committee is also authorised to/ responsible for the following:

1. Formulate, monitor and recommend to the Board, the corporate social responsibility (“**CSR**”) policy and the activities to be undertaken by our Company in accordance with applicable Schedule VII of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the activities undertaken;
3. Review the performance of our Company in the area of CSR;
4. Evaluate social impact of our Company’s CSR Activities;
5. Review our Company’s disclosure of CSR matters including any annual social responsibility report;
6. Review the CSR report with the management, before submission to the Board for approval;
7. Establish a monitoring mechanism to ensure that the funds contributed by our Company are spent by Company for the intended purpose only;
8. Approve the appointment or re-appointment of directors/employees responsible for CSR;
9. Consider other functions, as defined by the Board, or as may be stipulated under any law, rule and the Companies Act, 2013.

In addition to the above committees, the following committee has been constituted by our Board:

IPO Committee

The IPO Committee was constituted by the Directors at Board meeting held on August 12, 2015. The IPO Committee comprises:

Name	Position in the committee	Designation
Mr. Mukesh Luthra	Chairman	Chairman and Non-executive Director
Mr. Sandeep Ahuja	Member	Managing Director and Group CEO
Mr. Sanjay Mehta	Member	Independent Director
Mr. O.P. Khaitan	Member	Independent Director
Mr. Sameer Sain	Member	Nominee Director

The Company Secretary, Ms. Soniya Khandelwal is the secretary to the IPO Committee.

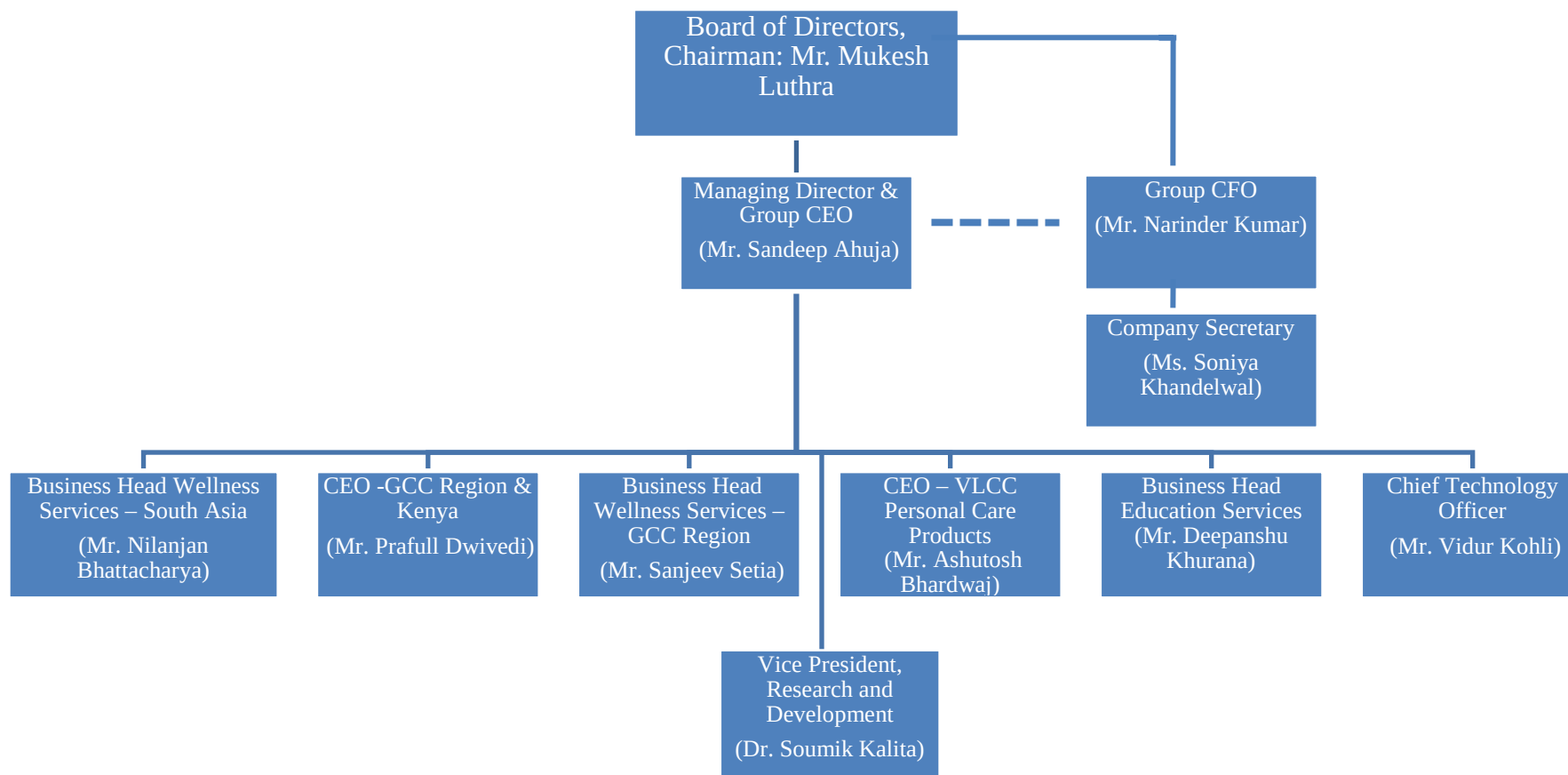
Scope and terms of reference: The IPO Committee shall have the powers:

1. To decide on the actual size (including any reservation for employees, employees or shareholders of group companies and/or any other reservations or firm allotments as may be permitted), timing, pricing and all the terms and conditions of the IPO, including the price, and to accept any amendments, modifications, variations or alterations thereto;

2. To invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;
3. To appoint and enter into arrangements with the BRLMs, underwriters to the IPO, syndicate members to the IPO, brokers to the IPO, advisors to the IPO, escrow collection bankers to the IPO, registrars to the IPO, refunds banks to the IPO, public issue account banks to the IPO, legal counsel and any other agencies or persons or intermediaries to the IPO and to negotiate and finalize the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalization and execution of the issue agreement with the BRLMs;
4. To finalize, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the IPO, legal advisors, auditors, stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges"), BRLMs and any other agencies/intermediaries in connection with the IPO with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
5. To finalise, settle, approve and adopt the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, and the preliminary and final international wrap for the IPO and take all such actions as may be necessary for filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by and to submit undertaking/ certificates or provide clarifications to SEBI or any other relevant governmental and statutory authorities;
6. To make applications, if necessary, to the Foreign Investment Promotion Board, the RBI or to any other statutory or governmental authorities in connection with the IPO and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;
7. To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the IPO and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
8. To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
9. To approve a suitable policies as required under applicable laws, regulations and guidelines including the Companies Act 2013 and the equity listing agreements to be entered into with the Stock Exchanges;
10. To seek, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the IPO, if any;
11. To approve any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws, regulations or guidelines in connection with the IPO;
12. To open and operate a bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013 and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
13. To determine and finalise the floor price/ price band/ price for the IPO, approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the BRLMs, and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the IPO;

14. To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Indian stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforesaid documents;
15. To make applications for listing of the shares in one or more Indian stock exchange(s) for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;
16. To do all such deeds and acts as may be required to dematerialize the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
17. To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;
18. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for the IPO, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees as permissible in law and issue of share certificates in accordance with the relevant rules;
19. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
20. To take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;
21. To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;
22. To adopt the restated Financial Statement of the Company on standalone basis as well on consolidated basis for past 5 years (and such other period as may be required) and to also accept CA certificates, Legal DD reports and related certificates on any other financial information with respect to IPO and to provide representation etc that may be required in this matter.
23. To delegate any of the powers mentioned in 1 to 22 to any Director/ KMP/Officer of the company for any specific purpose.

Management Organization Structure



Key Managerial Personnel

In addition to Mr. Sandeep Ahuja, our Managing Director and Group CEO, the details of our other Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are as follows:

Mr. Narinder Kumar, aged 52 years, is our Group Chief Financial Officer and has been associated with our Company since May 20, 2002. He holds a bachelor's degree in commerce (honours) from the University of Delhi, a master's degree in commerce from the University of Delhi, is a fellow member of the Institute of Company Secretaries of India, a fellow member of the Institute of Chartered Accountants of India ("ICAI"), was placed in the top 50 ranks merit list in the intermediate and final examinations conducted by ICAI in November 1984 and May 1986 respectively, and is also an associate member of the Institute of Cost and Works Accountants of India. He has in the past been associated with International Travel House Limited (a listed company of the ITC group) as their head of finance and company secretary, Indian Farmers Fertilizers Cooperative Limited and JKBM Limited (Chemical Division). He has been awarded CFO100 Roll of Honour in 2012 by CFO Institute in India. He is responsible for our strategic decision making, including fund raising, implementation of systems and processes as well as mergers and acquisitions. He has more than twenty five years of experience in the manufacturing and services sectors. He received a gross remuneration of ₹ 8.10 million in Fiscal Year 2015.

Ms. Soniya Khandelwal, aged 33 years, is our Company Secretary and has been associated with our Company since August 18, 2014. She holds a bachelor's and a master's degree in commerce from the University of Rajasthan, is an associate member of the Institute of Company Secretaries of India and also holds an LL.B. (academic) provisional degree from the University of Rajasthan. She has in the past been associated with Varun Beverages Limited (Jaipuria Group of Companies) as manager legal & secretarial and Galla Foods Limited (Amara Raja Group) as company secretary. She has over seven years of experience in the field of corporate legal and secretarial compliances. She is in charge of overseeing the secretarial, FEMA and intellectual property related matters of our Company. She received a gross remuneration of ₹ 1.31 million in Fiscal Year 2015.

Mr. Nilanjan Bhattacharyya, aged 42 years, is our Business Head of Wellness Services, South Asia and has been associated with our Company since April 1, 2014. He holds a bachelor's degree in chemical engineering from the Jadavpur University and a master's degree in science (advanced study in international marketing and management) from the University of Leeds, United Kingdom. He has in the past been associated with Barista Lavazza as its chief operating officer, with the Timex Group as their vice president of sales, with Whirlpool of India Limited as its director of sales as also with ICI Paints as a member of the management staff. He was recognized as one of the "50 Most Talented Retail Professionals of India" by the CMO Council in February 2014. He has over 16 years of experience in the quick service restaurants and consumer durables sectors. He is responsible for overseeing our wellness services business division in India, Bangladesh, Sri Lanka and Nepal. He received a gross remuneration of ₹ 6.63 million in Fiscal Year 2015.

Dr. Soumik Kalita, aged 43 years, is the Vice President, Research & Development and has been associated with our Company since June 15, 2015. He holds a bachelor's degree of medicine and surgery from the Gauhati Medical College, University of Gauhati, a master's degree in public health from the Hebrew University of Jerusalem, Israel, a master's degree in Medicine from Christian Medical College, Vellore ("CMC Vellore"), Fellowship in Cardiovascular Disease Epidemiology & Prevention and a post graduate diploma in hospital administration from Apollo Hospitals Educational & Research Foundation and Medvarsity Online Limited. He has also completed various certificate courses, including a course in clinical trials from the WHO collaborating Centre in CMC Vellore, certificate for Good Clinical Practices training from CMC Vellore, certificate in hand-searching of medical literature for classifying controlled clinical trial reports from the US Cochrane Centre, John Hopkins, Baltimore and certificate in race/ethnicity and gender in health from the Arthur Ashe Institute for Urban Health, New York, USA.

Dr. Kalita has over thirteen years of experience in various aspects of healthcare. Prior to joining our Company he was associated with various organizations, including Glaxosmithkline Consumer Healthcare Limited as a principal research scientist, with IKP Centre for Technology in Public Health as Assistant Vice President, with the Heart Care Clinic as a Clinical & Research Assistant and with South Asia Centre for Chronic Disease as an associate professor. He is responsible for overseeing our research and development functions and technical processes for our wellness services. As he joined our Company after Fiscal Year 2015, the remuneration paid to him in Fiscal Year 2015 was Nil.

Mr. Deepanshu Khurana, aged 39 years, is our Business Head - Education Services Division and has been associated with our Company since March 5, 2014 and in his current designation since April 1, 2015. He holds a bachelor's degree in commerce from the University of Delhi and a post graduate diploma in management from Lal Bahadur Shastri Institute of Management, New Delhi. He has in the past been associated with Core Education & Technologies Limited, Career Launcher Education Infrastructure & Services Limited, Zee Interactive Learning Systems Limited (a Zee Network Education Group company) and i360 Staffing & Training Solutions in various capacities. He is responsible for overseeing our education services business. He has over six years of experience in the education and training sector. He received a gross remuneration of ₹ 3.08 million in Fiscal Year 2015.

Mr. Ashutosh Bhardwaj, aged 52 years, is the Chief Executive Officer of our Subsidiary VLCC Personal Care Limited and has been associated with us since May 1, 2008. He holds a post graduate diploma in business management from IMT Ghaziabad. Prior to joining VLCC Personal Care he was associated with Acme Telepower Private Limited. He joined Perfetti India in 1994 and has in the past been associated with Cadbury India Limited, Hindustan Coca Cola Bottling South West Private Limited, Reebok India Company and Perfetti India. He is responsible for overseeing our personal care products business. He received a gross remuneration of ₹ 9.75 million from VLCC Personal Care Limited in Fiscal Year 2015.

Mr. Prafull Dwivedi, aged 41 years, is Chief Executive Officer (GCC Region & Kenya) of VLCC International LLC and has been associated with our step down Subsidiary VLCC (Middle East) L.L.C. since April 1, 2006. He holds a master's degree in international business from Symbiosis Institute of Foreign Trade, Pune. Prior to joining VLCC he was associated with CavinKare Private Limited as Country Manager - Middle East. He has previously been associated with The Himalaya Drug Company (LLC) and has been its Area Manager—Consumer Products in Dubai. He is responsible for growth of business in the Middle East and Africa for our wellness centers as well as personal care products. He has over twelve years of experience in the fast moving consumer goods sector. He received a gross remuneration of AED 0.84 million, i.e. ₹ 14.00 million from VLCC International LLC in Fiscal Year 2015.

Mr. Vidur Kohli, aged 52 years, is our Chief Technology Officer and has been associated with our Company since December 1, 2014. He holds a bachelor's degree in science from the University of Wisconsin, USA and a master's degree in science from the Marquette University, USA. He is also certified as an ISO 22301 Lead Auditor by ICOR (BCI & ANSI), USA. He began his working career with GE Capital Services India in 1999 and thereafter worked with IBM India, and held several senior information technology related positions during his tenure. He has experience in the Information Technology services sector. He is responsible for overseeing the information technology functions of our Company. He received a gross remuneration of ₹ 1.74 million in Fiscal Year 2015.

Mr. Sanjeev Setia, aged 40, is the Business Head - Wellness Services, GCC Region. He holds a bachelor's degree in science from Maharishi Dayanand University, Rohtak, a post graduate diploma in advertising and public relations from the Centre for Mass Media, YMCA, New Delhi and was previously associated with Alaknanda Advertising Private Limited, New Delhi and our Subsidiary, Wyann International (M) Sdn Bhd. He has been associated with us for over 14 years, having worked in India, Malaysia and GCC in various functions of marketing, operations and business management. He received a gross remuneration of RM 0.45 million i.e. ₹ 8.17 million from Wyann International (M) Sdn Bhd, Malaysia and AED 0.21 million i.e. ₹ 3.59 million from VLCC International LLC, i.e., a total of ₹ 11.76 million in Fiscal Year 2015.

Mr. Sandeep Ahuja, our Managing Director and Group CEO, Mr. Narinder Kumar, our Group Chief Financial Officer and Ms. Soniya Khandelwal, our Company Secretary and Compliance Officer are also 'key managerial personnel' within the meaning of Section 2(51) of the Companies Act, 2013. For details of our Managing Director, see the sub-section titled "*Brief Profiles of our Directors*" on page 213.

All Key Managerial Personnel are permanent employees on the rolls of our Company or our Subsidiaries, as applicable.

Details of Service Contracts of our Key Managerial Personnel

Except for terms set forth in the appointment letters, our Key Management Personnel have not entered into any other contractual arrangements with our Company or our Subsidiaries, as the case may be.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Managerial Personnel, whether employed by our Company or our Subsidiaries, is entitled to any benefit upon termination of such officer's employment or superannuation.

Contingent and Deferred Compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel which does not form part of their remuneration.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel have any interest in our Company except to the extent of remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business and of stock options that may be granted to them from time to time under the VLCC Stock Option Plan 2007.

The details of our Key Managerial Personnel who hold Equity Shares as on the date of this Draft Red Herring Prospectus is as follows:

Name	No. of Equity Shares	% of pre-Offer capital
Mr. Sandeep Ahuja	130,179	0.35
Mr. Narinder Kumar	130,179	0.35
Mr. Ashutosh Bhardwaj	40,367	0.11
Mr. Prafull Dwivedi	37,864	0.10
Total	338,589	0.90

For further details regarding the shareholding of our Key Managerial Personnel as well as the VLCC Stock Option Plan 2007, see the sections titled "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel*" and "*Capital Structure – Employee Stock Option Schemes*" on pages 87 and 88.

Arrangements and Understanding with Major Shareholders

Except for our nominee Directors, Mr. Alok Oberoi and Mr. Sameer Sain, nominated pursuant to the terms of the Leon SHA and the Indivision IRA, respectively, none of our Directors or Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For details of the shareholder's agreement pursuant to which Mr. Sameer Sain and Mr. Alok Oberoi were appointed on our Board, see the section titled "*History and Certain Corporate Matters – Material Agreements*" on page 183.

Nature of Family Relationship among Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Changes in our Key Managerial Personnel

The changes in our Key Managerial Personnel during the last three years are as follows:

Name	Date of Change	Reason
Mr. Saurabh Gupta	January 15, 2013	Resigned as Divisional CEO, Wellness Services
Mr. Nilanjan Bhattacharyya	April 1, 2014	Appointed as Business Head, Wellness Services - South Asia
Mr. Deepanshu Khurana	March 5, 2014	Appointed as Head - Education Services
Mr. Samir Srivastav	March 7, 2014	Resigned as CEO – Education, Spas, Franchise Operations Business Head (Bangladesh and Sri Lanka)
Ms. Soniya Khandelwal	August 18, 2014	Appointed as the Company Secretary
Mr. Narinder Kumar	August 18, 2014	Redesignated from Group CFO and Company Secretary to Group CFO (Resigned as the Company Secretary and re-

Name	Date of Change	Reason
		designated as Group CFO)
Mr. Vidur Kohli	December 1, 2014	Appointed as Chief Technology Officer
Dr. Veena Agarwal	May 31, 2015	Resigned as Head of R&D, Technical and Training
Dr. Soumik Kalita	June 15, 2015	Appointed as Vice President, Research and Development

Bonus or Profit Sharing Plan for the Key Managerial Personnel

The remuneration paid to our Key Managerial Personnel includes a performance bonus which is determined on an individual basis depending upon the achievement of targets set for them.

Scheme of Employee Stock Option or Employee Stock Purchase

For details of the VLCC Stock Option Plan 2007, see the section titled “*Capital Structure – Employee Stock Option Schemes*” on page 88.

Payment of benefit to officers of our Company (non-salary related)

No amount of benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except as stated in the “*Financial Information*” on pages F-31 and F-73 none of the beneficiaries of loans and advances and sundry debtors are related to the Company, our Directors or our Promoters.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Ms. Vandana Luthra; and
2. Mr. Mukesh Luthra.

For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 79.

The details of our Promoters are as follows:



Identification Particulars	Details
Voter ID number	NLN0153445
Driving license number	NA
Passport number	Z3159956
Address	C-42, Anand Niketan, New Delhi 110 021, India

Ms. Vandana Luthra, aged 55 years, is our Promoter and has 25 years of experience in the wellness and personal care sector and is associated with our Company since its incorporation in 1996. She was ranked 30th in Fortune magazine's 2014 list of "50 Most Powerful Women in Business in India" and is a recipient of the Padma Shri. She is not currently on the board of any other company.



Identification Particulars	Details
Voter ID number	NLN0153437
Driving license number	DL-1220020003630
Passport number	Z3060859
Address	Post Box no. 15818 (Adilya), Building no. 162, Road no. 66, Block no. 362, Bilad Al Qadeem, Zinj, Bahrain

Mr. Mukesh Luthra, aged 57 years, is the Chairman of our Board. For further details, see "*Our Management*" on page 211.

We confirm that the details of the PAN, passport numbers and bank account numbers in relation to our Promoters will be submitted to the Stock Exchanges at the time of submission of the Draft Red Herring Prospectus with the Stock Exchanges.

Interest of Promoters

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For further details see "*Capital Structure*" on page 78.

Interest of Promoters in the Property of our Company

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of the Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Interest of Promoters in our Company other than as Promoters

Except as stated in this section and the sections titled “*Our Business*”, “*Our Management*”, “*History and Certain Corporate Matters*”, “*Financial Indebtedness*”, Annexure XX of our restated standalone financial information and Annexure XX of our consolidated restated financial information on pages 148, 211, 180, 261, F-79 and F-41, respectively, our Promoters do not have any interest in our Company other than as promoters.

Interest of Promoters in Intellectual Property

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company, however, our Company uses certain trademarks registered and applied for in the name of our wholly owned Subsidiary, VLCC Personal Care Limited as well as the “Anti-Obesity Day” trademarks which are registered in the name of our Promoter, Ms. Vandana Luthra.

Common Pursuits of our Promoters

Except as disclosed in the section titled “*Our Group Companies – Common Pursuits*” and “*History and Certain Corporate Matters – Common Pursuits*” on pages 210 and 209, respectively, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Pursuant to a technical know-how agreement dated July 1, 2004 amongst our Company and our Promoter, Ms. Vandana Luthra, she has been entitled to receive a sum of ₹ 0.50 million per month plus out of pocket expenses during the period commencing July 1, 2004 until March 31, 2005 and ₹ 0.75 million per month plus out of pocket expenses during the period commencing April 1, 2005 until June 2014 for providing know-how, goodwill and services (such as attending inaugurations of centres, making media appearances etc.) in accordance with the agreement. Pursuant to a subsequent technical know-how agreement dated July 1, 2014, with effect from the date of the agreement she has been entitled to receive a sum of ₹ 1.00 million per month until March 31, 2015, which is subject to an annual increment of 10% on the fees paid in the previous year. Our Board and the shareholders of our Company have approved this agreement pursuant to resolutions passed at meetings held on July 31, 2014 and September 29, 2014, respectively. Ms. Vandana Luthra has also entered into a similar technical know-how agreement, effective July 1, 2014, with our Subsidiary, VLCC Personal Care Limited pursuant to which she is entitled to receive a sum of ₹ 1.00 million per month until March 31, 2015, which is subject to an annual increment of 10% on the fees paid in the previous year. For further details, see Annexure XX of our restated standalone financial information and Annexure XX of our consolidated restated financial information on pages F-79 and F-41, respectively.

Except for transactions disclosed in this sub-section, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus.

Related Party Transactions

Except as stated in Annexure XX of our restated standalone financial information and Annexure XX of our consolidated restated financial information on pages F-79 and F-41, respectively, our Company has not entered into related party transactions.

Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the sections titled “*History and Certain Corporate Matters – Brief History of our Company*”, Annexure XX of our restated standalone financial information and Annexure XX of our consolidated restated financial information on pages 180, F-79 and F-41, respectively.

Disassociation by the Promoters in the Last Three Years

Our Promoters have not disassociated themselves as a promoter from any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Outstanding Litigation

Except as disclosed in the section titled “*Outstanding Litigation and Material Developments – Litigation Involving our Promoters*” on page 283, there is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Promoter Group

(a) Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our Promoters mentioned above, are as follows:

S. No.	Name	Relation with Promoters
1.	Mr. Rajesh Luthra	Brother of Mr. Mukesh Luthra
2.	Ms. Meera Luthra	Daughter of Mr. Mukesh Luthra and Ms. Vandana Luthra
3.	Ms. Pallavi Luthra	Daughter of Mr. Mukesh Luthra and Ms. Vandana Luthra
4.	Mr. Nishith Arora	Brother of Ms. Vandana Luthra
5.	Ms. Kamini Arora	Mother of Ms. Vandana Luthra

(b) Companies and entities

In addition to Subsidiaries directly held by our Company, as listed in the section titled “*History and Certain Corporate Matters – Subsidiaries of our Company – Direct Subsidiaries*” on page 188, the companies and entities that form part of our Promoter Group are as follows:

S. No.	Name of Promoter Group Entity
<i>Companies</i>	
1.	LSH Logistics Private Limited
2.	Futuristic Life Sciences Private Limited
3.	Future Med Devices Private Limited
4.	Med lab Solutions FZE
5.	MPS Limited
6.	ADI BPO Services Limited
7.	Leon International Limited
8.	Rajawongse Properties & Real Estate Development Private Limited
9.	VLCC Caregen Private Limited
<i>Firms</i>	
10.	Luthra & Associates
11.	MWT Trading

Shareholding of the Promoter Group in our Company

Ms. Pallavi Luthra and Leon International Limited, members of our Promoter Group, hold 5,007 Equity Shares and 5,141,718 Equity Shares, respectively, as of the date of this Draft Red Herring Prospectus. For further details of their shareholding see the section titled “*Capital Structure – Notes to Capital Structure*” on page 79.

OUR GROUP COMPANIES

As per the requirements of SEBI Regulations, for the purpose of identification of ‘group companies’, our Company considered companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis, or other companies as considered material by our Board. Pursuant to a resolution of our Board dated September 8, 2015, for the purpose of disclosure in offer documents for the Offer, a company shall be considered material and will be disclosed as a ‘Group Company’ if such company forms part of the Promoter Group, and our Company has entered into one or more transactions with such company in the previous audit fiscal year / period cumulatively exceeding 5% of the total consolidated revenue of VLCC Health Care Limited for such audited fiscal year.

For avoidance of doubt, it is clarified that direct or indirect subsidiaries of our Company shall not be considered as ‘group companies’.

Based on the above, other than VLCC Caregen Private Limited, a joint venture of our Company, as described in the section titled “*History and Certain Corporate Matters – Joint Ventures of our Company*” on page 209, our Company does not have any Group Companies, being companies as covered under the applicable accounting standards, or as considered material by our Board.

Financial Information

Since VLCC Caregen Private Limited was incorporated in July 2015, no financial information in respect of it is available as of the date of this Draft Red Herring Prospectus.

Related Party Transactions

As VLCC Caregen Private Limited was incorporated post March 31, 2015, no related party transactions had been entered into between VLCC Caregen Private Limited and our Company as on the date of our last restated standalone financial information and consolidated restated financial information.

Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

As VLCC Caregen Private Limited was incorporated post March 31, 2015, there have been no sales or purchase between VLCC Caregen Private Limited and our Subsidiaries which in aggregate exceed in value 10% of the total sales or purchases of our Company as on the date of our last restated standalone financial information and consolidated restated financial information.

Listing

VLCC Caregen Private Limited is not listed on any stock exchange in India or abroad.

Sick Group Companies

VLCC Caregen Private Limited has not become a sick company under the meaning of SICA and no winding up proceedings have been initiated against it.

Interest of our Promoters in our Group Companies

Except to the extent of their shareholding through our Company, our Promoters have no other interest in VLCC Caregen Private Limited.

Interest of Group Companies

Interest of Group Companies in promotion of our Company

VLCC Caregen Private Limited does not have any interest in the promotion of our Company.

Interest of our Group Companies in the property of our Company

VLCC Caregen Private Limited does not have any interest in any property acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Interest of Group Companies in any transaction by our Company

As VLCC Caregen Private Limited was incorporated post March 31, 2015, it is not interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery as on the date of our last restated standalone financial information and consolidated restated financial information.

Business interests of our Group Companies in our Company

As VLCC Caregen Private Limited was incorporated post March 31, 2015, it has no business interest in our Company as on the date of our last restated standalone financial information and consolidated restated financial information.

Payment of amount or benefits to our Group Companies during the last two years

As VLCC Caregen Private Limited was incorporated post March 31, 2015, no amount or benefits have been paid to VLCC Caregen Private Limited in the last two years.

Shareholding of our Group Companies in our Company

VLCC Caregen Private Limited does not hold any Equity Shares.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, see Annexure XX of our restated standalone financial information and Annexure XX of our consolidated restated financial information in the section titled “*Financial Information*” on pages F-79 and F-41, respectively.

DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders in accordance with the provisions of the Companies Act, 2013, the Articles of Association of our Company and other applicable laws and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

Our Company has not declared any dividend in the last four Fiscal Years. The dividends declared by our Company in Fiscal Year 2011 as per our audited and restated financial information are as given below:

Particulars	Financial Performance (For the year ending March 31)				
	2015	2014	2013	2012	2011
Face value per share (₹)	10.00	10.00	10.00	10.00	10.00
Dividend (₹ million)	-	-	-	-	5.02
Dividend (₹ per share)	-	-	-	-	1.91
Corporate dividend Tax (₹)	-	-	-	-	700,415
Equity Share Capital (₹ million)	-	-	-	-	22.57
Rate of dividend (%)	-	-	-	-	19.00

The amount paid as dividend in the past is not necessarily indicative of the dividend policy or dividend amount, if any, in the future.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we are not permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

SECTION V – FINANCIAL INFORMATION

Examination reports dated September 8, 2015 on our restated standalone financial information and consolidated restated financial information and the notes thereto as of and for the years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED RESTATED FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

The Board of Directors of VLCC Health Care Limited
64, HSIDC,
Sector 18,
Maruti Industrial Area,
Gurgaon – 122015

Dear Sirs,

1. We have examined the attached Consolidated Restated Financial Information of VLCC Health Care Limited ('the Company') its subsidiaries and a jointly controlled entity (the Company, its subsidiaries and a jointly controlled entity constitute "the Group"), which comprises of the Consolidated Restated Balance Sheet as at March 31, 2015, 2014, 2013, 2012 and 2011, the Consolidated Restated Statement of Profit and Loss and the Consolidated Restated Cash Flow Statement for the years then ended (collectively, the "Consolidated Restated Financial Information") as approved by the Board of Directors of the Company at their meeting held on September 8, 2015 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) prepared in terms of the requirements of
 - a) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
 - b) the Securities And Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations").
2. We have examined such Consolidated Restated Financial Information taking into consideration
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 13, 2015 in connection with the proposed IPO of the Company; and
 - b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.
3. These Consolidated Restated Financial Information have been extracted by the management from the audited Consolidated Financial Information of the Group as at and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by Board of directors at their meeting held on August 12, 2015, July 31, 2014, July 12, 2013, July 6, 2012 and August 30, 2011 respectively and have been audited by us except for certain subsidiaries and a jointly controlled entity, which have been audited by other auditors.

The financial statements and other financial information for these subsidiaries and jointly controlled entity have been audited by other auditors, whose reports have been furnished to us, and our opinion on the consolidated financial statements in so far as it relates to the affairs of such subsidiaries and jointly controlled entity is based solely on the report of such other auditors. Group's share of total assets, total revenues, and net cash flows pertaining to these entities for the relevant years is tabulated below:

Particulars	For the years ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Total Assets	2355.26	2,358.21	1,722.88	1,209.95	1,066.73
Total Revenues	3024.94	2,883.98	2018.98	1,317.68	945.94
Net Cash (Outflows) /Inflows	(32.26)	41.55	40.68	7.14	19.33

(₹ in million)

These other auditors have confirmed that the restated consolidated financial information relating to above mentioned entities has been made after incorporating:

- (i) adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
- (ii) Adjustments for the material amounts in the respective financial years to which they relate.

Further, there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments. Accordingly reliance has been placed on the financial information examined by them for the said years.

4. Based on our examination, we further report that:

- a) The Consolidated Restated Summary Statement of Assets And Liabilities of the Group as at March 31, 2015, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure-I to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies as set out in Annexure-IVA and Notes to Consolidated Restated Summary Statement of Adjustments to Audited Consolidated Financial Statements as set out in Annexure-V.
- b) The Consolidated Restated Summary Statement of Profits And Loss of the Group for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure-II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies as set out in Annexure-IVA and Notes to Consolidated Restated Summary Statement of Adjustments to Audited Consolidated Financial Statements as set out in Annexure-V.
- c) The Consolidated Restated Summary Statement of Cash Flows of the Group for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure-III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies as set out in Annexure-IVA and Notes to Consolidated Restated Summary Statement of Adjustments to Audited Consolidated Financial Statements as set out in Annexure-V.

- d) Based on the above, according to the information and explanations given to us, we are of opinion that the Consolidated Restated Financial Information have been made after incorporating:
- i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods; and
 - ii) Adjustments for the material amounts in the respective financial years to which they relate.

Further, there are no extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.

There were no qualifications in the Auditors' report for the relevant reporting periods.

5. We have also examined the following Consolidated Restated Financial Information of the Group set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on September 8, 2015 for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

- (i) Annexure VI – Consolidated Restated Summary Statement of Share Capital
- (ii) Annexure VII – Consolidated Restated Summary Statement of Reserves And Surplus
- (iii) Annexure VIII – Consolidated Restated Summary Statement of Borrowings
- (iv) Annexure IX – Consolidated Restated Summary Statement of Other Long Term Liabilities, Current Liabilities And Provisions
- (v) Annexure X – Consolidated Restated Summary Statement of Fixed Assets
- (vi) Annexure X-A – Consolidated Restated Summary Statement of Goodwill on Consolidation
- (vii) Annexure XI – Consolidated Restated Summary Statement of Non-Current Investments
- (viii) Annexure XII – Consolidated Restated Summary Statement of Loans And Advances and other Current and Non-Current Assets
- (ix) Annexure XIII – Consolidated Restated Summary Statement of Inventories
- (x) Annexure XIV – Consolidated Restated Summary Statement of Trade Receivables
- (xi) Annexure XV – Consolidated Restated Summary Statement of Cash And Cash Equivalents
- (xii) Annexure XVI – Consolidated Restated Summary Statement of Operational Income and Expense
- (xiii) Annexure XVI-A – Consolidated Restated Summary Statement of Exceptional Items
- (xiv) Annexure XVII – Consolidated Restated Summary Statement of Other Income
- (xv) Annexure XVIII – Consolidated Restated Summary Statement of Dividend Paid / Proposed On Equity Shares
- (xvi) Annexure XIX – Consolidated Restated Summary Statement of Accounting Ratios
- (xvii) Annexure XX – Consolidated Restated Summary Statement of Related Party Transactions
- (xviii) Annexure XXI – Consolidated Restated Summary Statement of Capitalisation
- (xix) Annexure XXII – Consolidated Restated Summary Statement of Segment Reporting
- (xx) Annexure XXIII – Consolidated Restated Summary Statement of Employee Stock Option Scheme

6. In our opinion, the above financial information contained in Annexures I to XXIII accompanying this report read along with the Significant Accounting Policies as set out in Annexure-IVA are prepared after making adjustments and regroupings as considered appropriate [Refer Annexure-V] and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.
7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein. The figures included in the Restated Standalone Financial Information, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 3 above.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Deepak Roy
Partner
(Membership No.053091)

Place: Gurgaon
Date: September 8, 2015

ANNEXURE I

CONSOLIDATED RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)						
Particulars	Annexures	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES						
1 Shareholders' funds						
(a) Share capital	VI	376.12	376.12	22.01	22.01	22.01
(b) Reserves and surplus	VII	2,147.19	1,935.81	1,914.36	1,507.97	1,166.96
Sub total		2,523.31	2,311.93	1,936.37	1,529.98	1,188.97
2 Minority Interest		29.47	45.71	1.02	-	-
3 Non-current liabilities						
(a) Long-term borrowings	VIII	930.09	995.30	760.63	755.06	808.54
(b) Other long-term liabilities	IX	18.85	12.44	11.43	8.60	13.67
(c) Long-term provisions	IX	56.30	44.53	28.83	21.83	14.84
Sub total		1,005.24	1,052.27	800.89	785.49	837.05
4 Current liabilities						
(a) Short-term borrowings	VIII	132.10	147.51	240.12	117.02	129.49
(b) Trade payables	IX	927.71	843.00	604.90	488.58	442.63
(c) Other current liabilities	IX	1,099.06	977.13	898.04	662.47	570.81
(d) Short-term provisions	IX	23.95	22.97	19.92	31.45	34.35
Sub total		2,182.82	1,990.61	1,762.98	1,299.52	1,177.28
TOTAL		5,740.84	5,400.52	4,501.26	3,614.99	3,203.30
ASSETS						
1 Non-current assets						
(a) Fixed assets						
(i) Tangible assets	X	3,227.95	3,092.30	2,556.80	2,241.94	2,152.63
(ii) Intangible assets	X	25.71	27.94	30.49	37.69	7.31
(iii) Capital work in progress		79.44	255.38	222.18	169.88	44.86
(iv) Intangible assets under development		0.68	3.04	2.59	2.59	30.75
(b) Goodwill on consolidation	X-A	277.61	169.10	100.30	-	-
(c) Non-current investments	XI	0.04	0.04	0.04	0.04	0.04
(d) Deferred tax assets (net)	IV-B	117.61	60.71	47.96	29.63	14.16
(e) Long-term loans and advances	XIIA	423.42	433.89	366.31	284.02	253.18
(f) Other non-current assets	XIIB	12.50	7.61	7.20	6.52	17.31
Sub total		4,164.96	4,050.01	3,333.87	2,772.31	2,520.24
2 Current assets						
(a) Inventories	XIII	502.10	425.10	359.23	278.95	246.37
(b) Trade receivables	XIV	577.08	433.98	344.96	213.52	102.05
(c) Cash and cash equivalents	XV	329.25	351.31	285.58	248.44	223.64
(d) Short-term loans and advances	XIIC	155.42	135.16	175.82	94.62	106.61
(e) Other current assets	XIID	12.03	4.96	1.80	7.15	4.39
Sub total		1,575.88	1,350.51	1,167.39	842.68	683.06
TOTAL		5,740.84	5,400.52	4,501.26	3,614.99	3,203.30

The above statement should be read with the Significant Accounting Policies appearing in Annexure IVA ; Notes to Financial Information, appearing in Annexure IVB ; and Statement of Adjustments to Financial Statements appearing in Annexure V.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Deepak Roy
Partner
(Membership No. 053091)

Place : Gurgaon
Date : September 8, 2015

ANNEXURE II

CONSOLIDATED RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

		(₹ in million)				
Particulars	Annexures	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
1 Revenue						
(a) Revenue from operations (gross)	XVI	8,110.35	7,089.65	5,994.28	4,761.29	3,773.76
(b) Other income	XVII	53.09	39.37	46.18	25.71	29.97
Total revenue (1a+1b)		8,163.44	7,129.02	6,040.46	4,787.00	3,803.73
2 Expenses						
(a) Cost of materials consumed	XVI	1,291.80	1,087.65	1,022.72	616.44	311.50
(b) Purchases of stock-in-trade	XVI	77.85	67.48	50.44	47.70	34.51
(c) Changes in inventories of stock-in-trade, finished goods and work in progress	XVI	(59.59)	(40.69)	(74.58)	(28.01)	(6.61)
(d) Employee benefits expense	XVI	1,995.49	1,755.70	1,369.80	1,094.53	1,060.95
(e) Finance costs	XVI	196.94	199.38	181.00	181.98	100.24
(f) Depreciation and amortisation expense	XVI	630.50	568.65	437.96	355.34	270.32
(g) Other expenses	XVI	3,740.99	3,161.53	2,665.36	2,217.57	1,824.21
Total expenses		7,873.98	6,799.70	5,652.70	4,485.55	3,595.12
3 Profit before tax and exceptional items (1-2)		289.46	329.32	387.76	301.45	208.61
4 Exceptional Items	XVI-A	-	-	8.94	6.89	-
5 Profit after exceptional item and before tax (3-4)		289.46	329.32	378.82	294.56	208.61
6 Tax expense:						
(a) Current tax expense for the year		110.97	105.72	88.65	91.96	75.20
(b) Income tax expense for previous years		0.09	0.16	-	-	(0.51)
(c) Minimum Alternative Tax credit		12.00	(54.89)	(47.15)	(36.26)	(27.20)
(d) Net current tax expense		123.06	50.99	41.50	55.70	47.49
(e) Deferred tax (credit)		(35.85)	(12.51)	(18.32)	(15.47)	(12.76)
(f) Deferred tax charge / (credit) - Share of jointly controlled entity		0.27	(0.23)	-	-	-
		87.48	38.25	23.18	40.23	34.73
7 Profit after tax before share of profit / (Loss) of minority interest (5-6)		201.98	291.07	355.64	254.33	173.88
Minority Interest		(3.32)	2.35	0.16	-	-
8 Profit after tax as restated		205.30	288.72	355.48	254.33	173.88
9 Earnings per share (of ₹ 10 each):						
Basic / Diluted (₹ per share)	XIX	5.52	7.76	9.56	6.86	4.70

The above statement should be read with the Significant Accounting Policies appearing in Annexure IVA ; Notes to Financial Information, appearing in Annexure IVB ; and Statement of Adjustments to Financial Statements appearing in Annexure V.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Deepak Roy
Partner
(Membership No. 053091)

Place : Gurgaon
Date : September 8, 2015

CONSOLIDATED RESTATED SUMMARY STATEMENT OF CASH FLOWS

Cash Flows of the Group for each year, read with significant accounting policies, after making adjustments as stated in the consolidated notes to accounts, are set out below.

	(₹ in million)				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
A. Cash flow from operating activities					
Net profit before tax and minority interest as restated	289.46	329.32	378.82	294.56	208.61
<u>Adjustments for:</u>					
Depreciation and amortisation	630.50	568.65	437.96	355.34	270.32
(Profit)/Loss on fixed assets sold / scrapped	4.21	2.59	(26.79)	5.32	3.91
Fixed assets written off	5.44	4.58	0.26	-	15.26
Inventory written off	-	0.41	-	-	-
Capital Work in progress written off	-	-	-	-	1.22
Net gain on sale on investments	-	-	(0.27)	(0.45)	(0.05)
Fixed assets damaged due to fire	7.72	1.99	-	-	-
Dividend income on mutual funds	-	-	-	-	(0.07)
Finance costs	125.20	129.81	127.73	141.12	72.12
Interest income	(1.07)	(1.00)	(0.88)	(0.74)	(1.72)
Provision for doubtful trade receivables	19.57	13.21	10.48	3.53	2.19
Provision for doubtful trade receivables written back	(12.31)	(6.19)	(2.85)	(0.86)	(2.76)
Provision for doubtful advances	1.64	0.23	0.22	0.85	0.28
Provision for doubtful advances written back	(0.16)	(0.65)	(0.34)	(0.28)	(0.56)
Provision for doubtful deposits written back	0.61	(0.25)	-	-	-
Provision for impairment of tangible fixed assets	1.16	8.29	1.73	8.90	2.92
Provision for impairment of tangible fixed assets written back	(0.22)	-	-	-	-
Provision for gratuity written back	-	(2.17)	(8.61)	(3.91)	(3.80)
Net unrealised exchange (gain) / loss	(0.28)	(0.35)	(0.10)	0.90	0.41
Operating profit before working capital changes	1,071.47	1,048.47	917.36	804.28	568.28
<u>Changes in working capital</u>					
<u>Adjusted for (increase) / decrease in operating assets</u>					
Inventories	(68.92)	(66.26)	(80.29)	(32.57)	(110.25)
Trade receivable	(139.30)	(96.06)	(139.11)	(114.14)	(49.34)
Short term loans and advances	(17.25)	37.86	(81.04)	11.96	6.24
Long term loans and advances	(4.38)	(8.79)	(37.71)	(7.22)	(11.87)
Other current and non-current assets	(13.60)	(3.16)	5.32	(3.04)	(19.51)
<u>Adjusted for increase / (decrease) in operating liabilities</u>					
Trade payables	67.56	235.02	123.32	45.91	149.77
Other current liabilities	69.53	(2.83)	201.76	63.31	(59.09)
Short-term provisions	6.99	0.02	0.12	-	0.36
Other long-term liabilities	6.40	1.01	18.01	6.51	4.68
Long-term provisions	2.62	16.14	9.92	3.15	5.75
Cash generated from operations	981.12	1,161.42	937.66	778.15	485.02
Net income tax paid	(114.49)	(101.16)	(100.98)	(89.83)	(68.45)
Net cash flow from operating activities (A)	866.63	1,060.26	836.68	688.32	416.57
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(542.58)	(861.33)	(713.23)	(479.77)	(684.45)
Proceeds from sale of fixed assets	25.98	0.43	56.01	2.54	4.02
Purchase / acquisition of long-term investments	(150.38)	(199.92)	(164.45)	-	-
Purchase of shares from minority shareholders	(15.10)	-	-	-	-
Purchase of current investments	-	-	(20.00)	(280.00)	(25.05)
Proceeds from sale of current investments	-	-	20.27	280.45	30.13
Dividend Income from Mutual Funds	-	-	-	-	0.07
Interest received	0.72	0.98	0.89	0.97	1.70
Bank balance not considered as cash and cash equivalent	(4.53)	(0.40)	(0.68)	18.46	-
Net cash used in investing activities (B)	(685.89)	(1,060.24)	(821.19)	(457.35)	(673.58)
C. Cash flow from financing activities					
Proceeds from issue of equity shares	-	-	-	-	0.66
Redemption of preference shares	-	-	-	-	(354.11)
Movement in Loans	(73.94)	228.32	155.27	(38.87)	750.05
Interest paid on Borrowings	(126.66)	(130.97)	(127.62)	(140.78)	(66.19)
Dividend Paid (including dividend tax)	(0.24)	-	-	(5.02)	(36.07)
Net cash flow (used in) / from financing activities (C)	(200.84)	97.35	27.65	(184.67)	294.34

Cash Flows of the Group for each year, read with significant accounting policies, after making adjustments as stated in the consolidated notes to accounts, are set out below.

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Net (decrease) /increase in Cash and cash equivalents (A+B+C)	(20.10)	97.37	43.14	46.30	37.33
Cash and cash equivalents at the beginning of the year	351.30	285.58	248.44	223.64	192.93
Effect of exchange differences on restatement of foreign currency	(1.95)	(31.64)	(6.00)	(21.50)	(6.62)
Cash and cash equivalents at the end of the year *	329.25	351.31	285.58	248.44	223.64
* Comprises:					
(a) Cash on hand	53.24	58.60	59.38	40.19	29.49
(b) Cheques in hand	49.23	29.64	10.77	14.90	11.15
(c) Balances with banks					
(i) In current accounts	167.08	210.50	154.65	151.22	147.48
(ii) In deposit accounts	-	0.22	-	-	7.74
(d) Credit Card Receivables	59.70	52.03	60.75	42.13	27.78
(e) Others - Gold coin (Nos: 1)	-	0.03	0.03	-	-
(f) Share in jointly controlled entity					
(i) In current accounts	-	0.29	-	-	-
Cash and cash equivalents at the end of the year	329.25	351.31	285.58	248.44	223.64

Notes :

1. The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standards (AS)- 3 on Cash Flow Statement under the the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013 , read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India .
2. The above statement should be read with the Significant Accounting Policies appearing in Annexure IVA ; Notes to Financial Information, appearing in Annexure IVB ; and Statement of Adjustments to Financial Statements appearing in Annexure V.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Deepak Roy
Partner
(Membership No. 053091)

Place : Gurgaon
Date : September 8, 2015

ANNEXURE IV A

Significant accounting policies consistently adopted for all the years presented in the consolidated restated summary statement made, are set out below:

1 Corporate Information

VLCC Health Care Limited ('the Company') was incorporated in India on October 23, 1996 to carry on the business of maintaining and running beauty, slimming, fitness and health centers at various locations, sale of beauty products and also provide vocational training at various institutes.

The accompanying consolidated financial statements reflect the results of the activities undertaken by the Group during the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

2 Summary of significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries ('together the Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013 ('the 2013 Act') / Companies Act, 1956 ('the 1956 Act'), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent in all the years.

2.2 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialise.

2.3 Principles of Consolidation

The consolidated financial statements relate to VLCC Health Care Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2015, 2014, 2013, 2012 and 2011.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The share of profit / loss, assets and liabilities in the jointly controlled entity (upto March 29, 2015), which is not a subsidiary, has been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.
- (iv) The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entity over its share of equity of the subsidiary companies / jointly controlled entity, at the dates on which the investments in the subsidiary companies / jointly controlled entity were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entity as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The Goodwill/Capital Reserve is determined separately for each subsidiary company/jointly controlled entity and such amounts are not set off between different entities.
- (v) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (vi) Goodwill has been recorded to the extent the cost of acquisition comprising purchase consideration and transaction costs exceed the book value of the net assets in the acquired company.
- (vii) Goodwill arising on consolidation is not amortised but tested for impairment.
- (viii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

(ix) Following subsidiary companies and jointly controlled entity have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of	% of Holding and voting power either directly or indirectly through subsidiary as at				
			As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
VLCC Personal Care Ltd	Subsidiary	India	100	100	100	100	100
VLCC Retail Ltd	Subsidiary	India	100	100	100	100	100
VLCC India Ltd	Subsidiary	India	95	95	95	95	95
VLCC International Inc	Subsidiary	British Virgin Islands	100	100	100	100	100
VLCC International LLC	Subsidiary	UAE	100*	100*	100*	100*	100*
VLCC Middle East LLC	Subsidiary	UAE	100*	100*	100*	100*	100*
VLCC International Limited Liability Company	Subsidiary	Sultanate of Oman	100**	100**	100**	100**	100**
VLCC International Bahrain WLL	Subsidiary	Bahrain	100*	100*	100*	100*	100*
VLCC Europe Limited	Subsidiary	England and Wales	100	100	100	100	100
VLCC Overseas Limited	Subsidiary	UAE	100	100	100	100	100
VLCC Health Care (Bangladesh) Private Limited	Subsidiary	Bangladesh	100	100	100	100	100
VLCC Healthcare Lanka (Pvt) Ltd	Subsidiary	Sri Lanka	100	100	100	100	100
VLCC Education Lanka (Pvt) Ltd	Subsidiary	Sri Lanka	100	100	100	100	100
VLCC Singapore Pte Ltd	Subsidiary	Singapore	100	100	100	100	100
VLCC Healthcare Egypt LLC	Subsidiary	Egypt	100	100	100	100	100
VLCC International Qatar Co W.L.L.	Subsidiary	Qatar	100*	100*	100*	100*	100*
VLCC Personal Care (Bangladesh) Pvt. Ltd.	Subsidiary	Bangladesh	100	100	100	100	100
Wyann International SDN BHD	Subsidiary	Malaysia	76	76	76	-	-
VLCC Wellness (M) SDN BHD	Subsidiary	Malaysia	100	100	100	-	-
Skin Nutrition Asia Pacific SDN BHD	Subsidiary	Malaysia	38	38	38	-	-
Global Vantage Innovative Group Pte Ltd. (GVig)	Subsidiary	Singapore	85	80	-	-	-
Celblos Dermal Research Centre Pte Ltd	Subsidiary	Singapore	85	80	-	-	-
Excel Beauty Solution SDN. BHD	Subsidiary	Malaysia	85	80	-	-	-
Enavose Life Science Research Centre Pte Ltd	Subsidiary	Singapore	85	80	-	-	-
Bellewave Cosmetics Pte Ltd	Subsidiary	Singapore	85	80	-	-	-
VLCC Wellness (East Africa) Limited	Subsidiary	Kenya	70	70	-	-	-
VLCC International Kuwait Health Care Institute Limited Liability Company	Subsidiary	Kuwait	100*	100*	-	-	-
Yap Yoga Private Limited	Jointly controlled entity	India	-	50	-	-	-
Yap Yoga Private Limited	Subsidiary	India	95	-	-	-	-
VLCC Wellness Research Centre P Ltd	Subsidiary	India	100	-	-	-	-
VLCC Holding (Thailand) Co.Ltd	Subsidiary	Thailand	49.90***	-	-	-	-
VLCC Wellness (Thailand) Co.Ltd	Subsidiary	Thailand	75	-	-	-	-

* Out of this, 49% is held directly by VLCC International Inc. and for the balance 51% shareholding, the Company has entered into an agreement with the other shareholders whereby the risk and rewards of the business rest entirely with VLCC International Inc. and accordingly, VLCC International Inc. has 100% economic interest in these companies.

** Out of this, 70% is held directly by VLCC International Inc. and for the balance 30% shareholding, the Company has entered into an agreement with the other shareholder whereby the risk and rewards of the business rest entirely with VLCC International Inc. and accordingly, VLCC International Inc. has 100% economic interest in this company.

*** VLCC Singapore Pte Ltd holds 49.90% of the voting rights in VLCC Holding (Thailand) Co.Ltd while other shareholder holds all the Class A preference shares in VLCC Holding (Thailand) Co.Ltd. VLCC Singapore Pte Ltd also controls the affairs and the board of directors of VLCC Holding (Thailand) Co.Ltd. The chairman is appointed by VLCC Singapore Pte Ltd and all significant rights in respect of dividend is enjoyed by VLCC Singapore Pte Ltd. Accordingly, VLCC Singapore Pte Ltd is considered to be the holding company of VLCC Holding (Thailand) Co.Ltd.

2.4 Inventories

Inventories are valued at lower of cost (on FIFO basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all expenses incurred in bringing the goods to their present location including octroi and other levies, transit insurance and receiving charges. Work in Progress and finished goods include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties.

2.5 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information. The exchange differences arising on translation of 'Non-Integral Foreign Operations' and recorded in 'Foreign Exchange Translation Reserve' in Note 4 has been eliminated from the cash flows from operating, investing and financing activities of the Group.

2.7 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on all tangible fixed assets is provided on the straight line method over the estimated useful life of the assets at rates specified in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.:

- Leasehold improvements are amortized over the period of lease, including the optional period of lease.
- Premium paid on lease hold land is amortised over the period of lease.
- All assets costing ₹ 5,000 or below are depreciated in full on pro-rata basis from the date of their acquisition.

Depreciation on all tangible fixed assets of the Group's foreign subsidiaries is provided on the straight line method as per the estimated useful life of such assets as follows:

<i>Category of fixed assets</i>	<i>Estimated useful Life</i>
Leasehold improvements	9 years
Office equipment	10 years
Computers	4 years
Furniture and fixtures	7 years
Vehicles	4 years

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction, discardment as the case may be.

Intangible assets are amortised over their estimated useful life as follows:

Goodwill - 10 years
Trade marks - 10 years
Computer software- 6 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

2.8 Revenue recognition

Income from services

Revenue from fees received from clients towards beauty and slimming packages are recognised on a pro-rata basis over the period of the package after attributing revenue to services rendered on enrolment. Fees related to unexecuted period of the packages are recorded as 'Advances from customers' as per the terms of specific contracts.

Revenue from regular beauty sales are recognised as services are provided to the customers.

Revenue in respect of tuition fees received from students is recognised over the period of the course after attributing revenue to services rendered on enrolment. Fees are recorded at invoice value, net of discounts if any

Revenue in respect of non-refundable lump sum fees received from the franchisee's is recognised on execution of the agreement. Revenue in respect of non-refundable lump sum fees received from the collaborators is recognised over a period of five years

Revenue in respect of royalty received from the franchisee's is recognised on accrual basis at the end of each month in terms of the agreement

Revenue in respect of fees received from Yap Yoga Private Limited for yoga and physiotherapy sessions is recognised on accrual basis in terms of the agreement.

Sale of goods

Revenue from sale of goods is recognised as goods are dispatched to the customers from the factory, warehouses or godowns of consignment agents and upon endorsement of title of the goods which generally coincides with their delivery. Revenue from sale of products at the centers or showrooms is recognised on delivery of products to the customers. Revenue on sale of goods to overseas customers is recognised on the goods being shipped on board. Sales are recorded at invoice value, net of sales tax, trade discount and sales returns.

Revenue associated with barter agreements are recognised when goods are dispatched to the customers from the factory, warehouses or godowns of consignment agents and upon endorsement of title of the goods. Merchandise or services received from exchanged goods are charged as an expense in the statement of profit and loss when used/availed.

2.9 Other income

Income from interest on time deposits is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

Dividend income from investments is recognised when the right to receive payment is established

2.10 Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Capital work in progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.11 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.12 Foreign currency transactions and translations

Initial recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. The financial statements of foreign subsidiaries are translated and recorded in the functional currency of the Group.

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary items denominated in foreign currencies (other than derivative contracts) at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognized as income or expense in the Statement of Profit and Loss.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets.

In accordance with accounting standard 11 on the effects of changes in foreign exchange rates, operations of VLCC International Inc., British Virgin Islands and its subsidiaries have been classified as "Non-Integral Foreign Operations". Accordingly, all assets and liabilities are translated at the closing rate and income and expenses are translated at the average rate prevailing during the year. The resulting exchange differences on translation has been recorded in a separate account called 'Foreign Exchange Translation Reserve' and disclosed under Reserves and Surplus.

Accounting of forward contracts

In respect of forward exchange contracts, the difference between the forward rate and the rate at the inception of a forward contract is recognised as income or expense over the life of the contract. Any income or expense on account of exchange differences either on settlement of the contract or on translation of the unmatured foreign currency contract at the rate prevailing on the date of the Balance Sheet date is recognised in the Statement of Profit and Loss.

2.13 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include, acquisition charges such as brokerage, fees and duties.

2.14 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plans

In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Group and the employee contribute monthly at a determined rate. Group's contribution to Provident Fund is charged as an expense in the Statement of Profit and Loss.

Long-term employee benefits

Compensated absences payable to employees of the Group while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date.

Defined benefit plans

Benefits payable to eligible employees of the Group with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The company contributes all the ascertained liabilities to a fund set up by the company and administered by a board of trustees. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets.

Gratuity payable to employees of the subsidiary companies in UAE is accounted for on accrual basis in accordance with the respective labour laws.

2.15 Leases

Lease rentals in respect of assets that are in the nature of operating leases are expensed in the Statement of Profit and Loss with reference to lease terms.

2.16 Employee share based payments

The Company has formulated employee Stock Option Plan as approved & modified by Compensation Committee / Board of Directors of the Company from time to time. The Plan provides for grant of Stock Options to eligible employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The options are to be converted into one share at a predetermined price to be exercised in accordance with the plan. The exercise price of the options shall be fair market value on the date of grant per option. Under the approved plan, the company has issued shares to the VLCC Employee Welfare Trust at fair market value determined on the date of issue which is holding the shares on behalf of the employees.

2.17 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. In accordance with an opinion received from the expert advisory committee of the Institute of Chartered Accountants of India, the company has during the year capitalized borrowing costs in respect of construction of qualifying assets completed within a period of five to seven months.

2.18 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis are included under 'unallocated revenue / expenses / assets / liabilities'.

2.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.20 Taxes on income

Income taxes consist of current taxes and changes in deferred tax liabilities and assets.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements. Timing differences between the taxable income and the accounting income as at March 31, 2015 that reverse in one or more subsequent years are recognised if they result in taxable amounts. Deferred tax assets or liabilities are established at the enacted tax rates. Changes in the enacted rates are recognised in the period of enactment.

Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Minimum alternative tax payable under the provisions of the Income Tax Act, 1961 is recognised as an asset in the year in which credit becomes eligible and is set off in the year in which the company becomes liable to pay income taxes at the enacted tax rates.

2.21 Share of Surplus of Collaborators

Surplus payable to the collaborators in respect of jointly managed centers is accrued either as a percentage of gross margin or fees received as specified in the agreement.

2.22 Insurance claim

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.23 Impairment of assets

Whenever events indicate that assets may be impaired, the assets are subject to a test of recoverability based on estimates of future cash flows arising from continuing use of such assets and from its ultimate disposal. A provision for impairment loss is recognised where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sale of the asset. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

2.24 Provisions and contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and the related income are recognized in the year in which the change occurs.

2.25 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

2.26 Provision for doubtful debts

A provision for doubtful debts on trade receivables is accrued at the close of the financial year on all the receivables which are exceeding six months from the due date.

2.27 Material Events

Material events occurring after the Balance Sheet date in relation to conditions existing as at the Balance Sheet date is taken into cognizance.

2.28 Classification of current / non-current liabilities and assets

Liability

A liability has been classified as 'current' when it satisfies any of following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instrument do not affect its classification.

All other liabilities are classified as non-current.

Asset

An asset has been classified as 'current' when it satisfies any of following criteria:

- It is expected to be realised in, or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

2.29 Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

ANNEXURE IV-B

Notes to Accounts (Notes to Accounts are restated, as applicable, and include notes specific to the Consolidated Restated Summary Statements, set out below)

1. Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

(₹ in million)					
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Claims against the Group not acknowledged as debts	8.59	7.81	8.59	2.78	2.78
Other Money for which the Group is contingently liable					
- VAT	14.05	4.55	4.55	4.47	4.47
- Income Tax	38.65	38.65	28.33	18.61	2.70
- Luxury Tax	7.21	1.81	0.00	0.00	0.00
- Service Tax	0.29	0.29	0.00	0.00	0.00
Total	68.79	53.11	41.47	25.86	9.95

(ii) Commitments

(₹ in million)					
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for:					
- Tangible Assets	12.18	13.18	8.76	5.10	7.09
- Intangible Assets	0.18	0.00	0.20	2.60	8.57
Total	12.36	13.18	8.96	7.70	15.66

2 Employee benefit plans

(i) Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme. The Provident Fund contributions recognised in the Statement of Profit and Loss of the Company are as follows:

(₹ in million)					
Particulars	Year ended March 31,	Year ended March 31,	Year ended March 31,	Year ended March 31,	Year ended March 31,
Contribution to Provident Fund	39.48	32.95	32.13	29.02	29.35

(ii) Defined benefit plans

The Company offers the employee benefit schemes of Gratuity to its employees. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The following table sets out the status of defined benefit schemes and the amount recognised in the financial statements:

(₹ in million)					
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Components of employer expense					
Current service cost	16.17	14.38	11.32	10.03	15.36
Interest cost	4.69	4.15	3.07	2.77	1.75
Expected return on plan assets	(1.36)	(1.50)	(1.67)	(1.54)	(1.42)
Actuarial losses/(gains)	7.08	11.10	7.42	2.75	0.40
Total expense recognized in the Statement of Profit and Loss	26.58	28.13	20.14	14.01	16.09
Actual contribution and benefit payments for the year					
Actual benefit payments	16.20	20.24	13.86	12.35	6.08
Actual contributions	6.32	4.53	0.02	4.20	2.23
Net (liability recognized in the Balance Sheet)					
Present value of defined benefit obligation	71.67	58.57	47.18	37.49	32.73
Less: Fair value of plan assets	17.76	16.04	17.64	19.69	18.72
Net liability recognized in the Balance Sheet	(53.91)	(42.53)	(29.54)	(17.80)	(14.01)
Change in defined benefit obligations ("DBO") during the year					
Present value of DBO at beginning of the year	58.57	47.18	37.49	32.73	21.22
Current service cost	16.17	14.38	11.32	10.03	15.36
Interest cost	4.69	4.15	3.07	2.77	1.75
Actuarial losses/(gains)	7.08	10.34	8.00	2.78	0.52
Benefits paid	(16.20)	(20.24)	(13.86)	(12.35)	(6.08)
Translation adjustment	1.36	2.77	1.16	1.53	(0.04)
Present value of DBO at the end of the year	71.67	58.57	47.18	37.49	32.73

Change in fair value of assets during the year *

Plan assets at beginning of the year	16.04	17.64	19.69	18.72	17.73
Expected return on plan assets	1.36	1.50	1.67	1.54	1.42
Actual company contributions	6.32	4.53	0.02	4.20	2.23
Benefits paid	(7.29)	(6.86)	(4.33)	(4.80)	(2.78)
Actuarial gain / (loss)	1.33	(0.77)	0.59	0.03	0.12
Plan assets at the end of the year	17.76	16.04	17.64	19.69	18.72

Actual return on plan assets	2.69	0.73	2.26	1.57	1.54

Composition of the plan assets is as follows:

Bond Fund	100%	100%	100%	100%	81%
Dynamic Floor Fund	0%	0%	0%	0%	19%

Actuarial assumptions

Discount rate	7.85%	9.30%	8.25%	8.50%	8.25%
Expected return on plan assets	8.50%	8.50%	8.50%	8.50%	8.25%
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality tables	IALM (2006-2008)	IALM (2006-08)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Attrition	2.00%	2.00%	2.00%	2.00%	2.00%
Estimate of amount of contribution in the immediate next year	8.22	12.74	9.87	5.24	5.34

* Plan assets relates to VLCC Health Care Limited

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of obligations.

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 factors in the employment market.

The plan assets of the company are managed by Kotak Mahindra Old Mutual Life Insurance Limited in terms of an insurance policy taken to fund obligations of the company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Kotak Mahindra Old Mutual Life Insurance Limited.

Experience adjustments

Particulars	(₹ in million)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of DBO	34.48	26.06	24.81	21.93	24.49
Experience gain/(loss) adjustments on plan assets	1.33	(0.77)	0.59	0.03	0.12
Fair value of plan assets	17.76	16.04	17.64	19.69	18.72
Experience gain/(loss) adjustments on plan assets	1.33	(0.77)	0.59	0.03	0.12

3 Details of borrowing costs capitalised

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Details of borrowing costs capitalized					
Borrowing costs capitalised during the year					
- as fixed assets / intangible assets / Capital work-in-progress	2.04	4.42	2.51	2.80	10.75

4 Goodwill on consolidation

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Opening balance	169.10	100.30	-	-	-
Add: On acquisition of subsidiary during the year	116.42	64.40	96.10	-	-
Restatement adjustment	(7.91)	4.40	4.20	-	-
Closing balance	277.61	169.10	100.30	-	-

5 Segment information

The Group has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily beauty and slimming services, educational vocational training and manufacturing and sale of products. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Refer Annexure-XXII for the disclosure relating to primary segment.

Information on the geographic segment is as follows:

Location	Revenue				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Domestic	4,858.59	4,178.13	3,943.11	3,417.81	2,823.31
Asia	822.64	693.76	246.87	79.77	5.50
Middle East	2,409.61	2,215.65	1,802.24	1,263.34	944.96
Rest of the world	19.52	2.10	2.06	0.37	0.00
	8,110.36	7,089.64	5,994.28	4,761.29	3,773.77

Information on assets has not been provided by location of customers as such information is not realistically allocable and identifiable.

6 Legal reserve

Transfer to Legal Reserve relate to the year ended March 31, in respect of overseas subsidiaries which is not available for distribution except as provided in the local laws governing the subsidiaries.

Location	₹ in million				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Transfer to Legal Reserve	0.09	0.37	1.30	0.96	0.79

7 Earnings per share

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Net profit as restated for the year (₹ in million)	205.30	288.72	355.48	254.33	173.88
Weighted average number of equity shares – for Basic EPS	37,206,180	37,213,009	37,187,764	37,099,709	36,985,456
Weighted average number of equity shares – for diluted EPS	37,206,180	37,213,009	37,187,764	37,099,709	36,985,456
Par value per share in ₹	10.00	10.00	10.00	10.00	10.00
Earnings per share – Basic (₹)	5.52	7.76	9.56	6.86	4.70
Earnings per share – Diluted (₹)	5.52	7.76	9.56	6.86	4.70

8 Details of leasing arrangements

The Group has entered into operating lease arrangements for certain facilities and office premises. Some of the leases are non-cancelable and may be renewed for a further period of six years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 15% every three years. Expected future commitments for non-cancelable leases are as follows:

Particulars	₹ in million				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Future minimum lease payments:					
- not later than one year	233.04	110.01	121.18	124.41	142.26
- later than one year and not later than five years	326.81	235.01	155.08	248.95	216.26
Lease payments recognised in the Statement of Profit and Loss [Refer note XVI]	726.35	706.59	598.57	541.59	459.52

9 Deferred tax asset

In accordance with Accounting Standard 22 on 'Accounting for taxes on income' the deferred tax credit has been recognized in the consolidated restated Statement of Profit and Loss as follows:-

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Deferred tax credit	(35.58)	(12.74)	(18.32)	(15.47)	(12.76)

Major components of Deferred Tax Asset/Liabilities are set out below:

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Tax effect of items constituting deferred tax assets					
On difference between book balance and tax balance of fixed assets	98.07	36.09	38.61	19.33	1.70
Provision for compensated absences, gratuity and other employee benefits	6.27	4.02	2.15	1.75	2.06
Provision for contingent liability	2.27	2.23	2.13	2.15	2.15
Provision for Impairment of Investments	0.73	0.46	0.44	0.44	0.44
Provision for doubtful trade receivables	10.27	7.41	-	-	-
Share in jointly controlled entity:	-	-	-	-	-
- Business loss	-	0.36	-	-	-
Tax effect of items constituting deferred tax liabilities					
Share in jointly controlled entity:					
- On difference between book balance and tax balance of fixed assets	-	(0.12)	-	-	-
Restatement adjustment (Refer Annexure- V)	-	5.63	(1.33)	(1.85)	(2.08)
Deferred tax on brand and cinematographic films	-	4.63	5.96	7.81	9.89
Net deferred tax asset	117.61	60.71	47.96	29.63	14.16

10 Expenditure on Corporate Social Responsibility

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, requires that the board of directors of every eligible company, shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure is as follows:

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(a) Gross amount required to be spent by the Group during the year	5.85	-	-	-	-
(b) Amount spent during the year on:					
(i) Donation to Amar Jyoti Charitable Trust for education	0.12	-	-	-	-
(ii) Donation to Khushi for Swatantra Shikshaantra	1.02	-	-	-	-
(iii) Donation to Avvai Tamil NGO	0.05	-	-	-	-
(iv) Donation to Action for autism	0.05	-	-	-	-
(v) Contribution for sector skill council (SSC)	0.21	-	-	-	-
(vi) Sponsorship for Pupil for animal (PFA)	0.20	-	-	-	-
(vii) Training expenses at world skill through NSDC	0.89	-	-	-	-
(viii) Donation to Vedanta cultural foundation	0.36	-	-	-	-
(ix) Donation to Charities aid foundation	0.30	-	-	-	-
(x) Donation to Tyagi foundation	0.15	-	-	-	-
(xi) Amount spent on beauty training to jail prisoners	0.20	-	-	-	-
	3.55	-	-	-	-

ANNEXURE V

CONSOLIDATED RESTATED SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Below mentioned is the summary of results of restatement made in the consolidated audited accounts for the respective years and its impact on the profits of the Group:

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(A) Net profit after taxation and before adjustments	201.03	277.34	353.51	260.18	166.49
Adjustment for:					
1 Prior Period Items (Refer note (ii) below)					
- Inventory written off (Refer note (ii) below)	0.41	(0.41)	-	-	-
- Reversal of depreciation on brands written off (Refer note (ii) below)	5.89	6.17	5.87	4.86	4.58
- Reversal of depreciation on cinematographic films written off (Refer note (ii) below)	(4.51)	1.79	1.47	1.70	1.24
- Fixed assets damaged due to fire (Mumbai Thane West) (Refer note (ii) below)	1.99	(1.99)	-	-	-
- Expenditure on Brand and Cinematographic films (Refer note (ii) below)	26.29	(0.45)	(11.34)	(14.51)	-
- Actuarial valuation of employee benefits (Refer note (ii) below)	(18.48)	2.17	8.61	3.91	3.80
- Miscellaneous Expenses (Refer note (ii) below)	0.66	(0.58)	0.03	0.04	(0.15)
- Minority Interest share- profit and loss (Refer note (ii) below)	2.29	(0.95)	(1.34)	-	-
(B) Total Impact before tax adjustment	14.54	5.75	3.30	(4.00)	9.47
Deferred Tax on adjustments (Refer note (iii) below)	(10.27)	5.63	(1.33)	(1.85)	(2.08)
(C) Total tax impact on adjustment	(10.27)	5.63	(1.33)	(1.85)	(2.08)
(D) Net impact of adjustment after tax [B+C]	4.27	11.38	1.97	(5.85)	7.39
(E) Profit/(loss) after tax, as restated [A+D]	205.30	288.72	355.48	254.33	173.88

Note (i)

A positive amount represents increase in the originally reported balance and a negative amount represents decrease in the originally reported balance irrespective of the nature of the item.

Note (ii)

These represent adjustments of material charges or credits which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior periods. These adjustments do not reflect the effect of events that occurred subsequent to the date of respective periods reportings.

Note (iii)

Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the restated profits for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and the balance brought forward in Surplus in Statement of Profit and Loss as at April 1, 2010. The tax rate applicable for the respective years has been used to calculate the current tax and deferred tax impact of the adjustments.

Note (iv)

Reconciliation of opening surplus in statement of profit and loss:

Particulars	As at April 1, 2010 ₹ in million
Opening balance as on April 1, 2010	230.65
i) Prior period items (Refer above)	(29.05)
ii) Deferred tax impact (Refer above)	9.89
Balance after Reconciliation as on April 1, 2010	211.49

Note (v): Non- adjusting item

In addition to the audit opinion on the financial statements, the auditors are required to comment upon matters included in the Companies (Auditor's Report) Order, 2015/ 2003 [CARO] issued by the Central Government of India under sub section 143(11)/ (4A) of Section 227 of the Companies Act, 2013/ 1956. The matters included in CARO which do not require any adjustment in the financial information is reproduced below from the auditor's report on the financial statements for the financial years indicated.

A VLCC Health Care Limited:

1) Details of dues which has not been deposited on account of disputes are given below :-

(₹ in million)

Name of the statute	Nature of Due	Period to which the amount relates	Forum where dispute is pending	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Income Tax Act, 1961	Income Tax	2009-10	Commissioner of Income Tax (Appeals)	9.69	12.19	13.19	14.91	-
Income Tax Act, 1961	Income Tax	2010-11	Commissioner of Income Tax (Appeals)	7.72	7.72	9.72	-	-
Income Tax Act, 1961	Income Tax	2011-12	Commissioner of Income Tax (Appeals)	10.67	11.67	-	-	-
Income Tax Act, 1961	Income Tax	2001-02 and 2002-03	Commissioner of Income Tax (Appeals)	0.02	-	0.02	-	-
Madhya Pradesh Vilasita, Manoranjan, Amod Evam Vigyapan Kar Adhiniyam 2011	Luxury Tax	April 1, 2011 to November 17, 2011	High Court of Madhya Pradesh, Gwalior	6.44	-	-	-	-
UP Value Added Tax	Sales Tax	2009-10	Additional Commissioner Appeals	2.04	-	-	-	-
UP Value Added Tax	Sales Tax	2010-11	Additional Commissioner Appeals	3.11	-	-	-	-
Kerala Value Added Tax	Sales Tax	2009-10	Commercial Tax Officer	0.02	0.02	0.02	0.02	0.02
Kerala Value Added Tax	Sales Tax	2009-10	Deputy Commissioner Appeals	0.63	-	-	-	-
Kerala Value Added Tax	Sales Tax	2010-11	Deputy Commissioner Appeals	0.59	-	-	-	-
Kerala Value Added Tax	Sales Tax	2011-12	Deputy Commissioner Appeals	0.50	-	-	-	-
Kerala Value Added Tax	Sales Tax	2012-13	Deputy Commissioner Appeals	0.49	-	-	-	-
Kerala Value Added Tax	Sales Tax	2014-15	Deputy Commissioner Appeals	0.05	-	-	-	-
Finance Act, 1994	Service Tax	2008-09 to 2010-11	Commissioner of Central Excise, Appeals	0.12	-	-	-	-
Finance Act, 1994	Service Tax	April 2008 to March 2012	CESTAT, Bangalore	0.17	-	-	-	-

2) During the year 2013-14, funds raised on short term basis aggregating approximately to ₹ 285.57 million have been *prima facie* used for long term investments.

B. VLCC Personal Care Limited:

(₹ in million)

Name of the statute	Nature of Due	Period to which the amount relates	Forum where dispute is pending	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	2002-03	Sales Tax Tribunal, Tamil Nadu	0.10	0.10	0.10	0.10	-
Bombay General Sales Tax Act, 1959	Sales Tax	2004-05	Appellate Commissioner	1.57	1.57	1.57	1.49	-
Kerala Value Added Tax	Sales Tax	2012-13	Appellate Commissioner	0.57	-	-	-	-

Note (vi):- Material Regrouping

Appropriate adjustments have been made in consolidated restated summary statements of assets and liabilities, statement of profit and losses and statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended March 31, 2015, prepared in accordance with schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

ANNEXURE VI

CONSOLIDATED RESTATED SUMMARY STATEMENT OF SHARE CAPITAL

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Authorised					
Equity shares of ₹ 10 each					
Number of shares	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
₹ in million	400.00	400.00	400.00	400.00	400.00
Total	400.00	400.00	400.00	400.00	400.00
(b) Issued, subscribed and paid-up					
Equity shares of ₹ 10 each					
Number of shares	37,668,283	37,668,283	2,257,283	2,257,283	2,257,283
₹ in million	376.68	376.68	22.57	22.57	22.57
Less: Amount recoverable from ESOP Trust (face value of 56,432 Equity shares of ₹ 10 each allotted to the trust)	(0.56)	(0.56)	(0.56)	(0.56)	(0.56)
Total	376.12	376.12	22.01	22.01	22.01

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million
Equity shares with voting rights										
Balance at the beginning of the year	37,668,283	376.68	2,257,283	22.57	2,257,283	22.57	2,257,283	22.57	1,850,447	18.50
Add: Bonus shares issued during the year	-	-	35,411,000	354.11	-	-	-	-	-	-
Add: Right issue during the year	-	-	-	-	-	-	-	-	65,704	0.66
Add: Shares converted during the year	-	-	-	-	-	-	-	-	341,132	3.41
Balance at the end of the year	37,668,283	376.68	37,668,283	376.68	2,257,283	22.57	2,257,283	22.57	2,257,283	22.57

(ii) Terms and Rights attached to each class of shares:

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion of their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights										
Mr. Mukesh Luthra	9,178,094	24.37%	9,178,094	24.37%	550,000	24.37%	550,000	24.37%	550,000	24.37%
Mrs. Vandana Luthra	16,707,468	44.35%	16,707,468	44.35%	1,001,100	44.35%	1,001,100	44.35%	1,001,100	44.35%
Leon International Limited	5,141,718	13.65%	5,141,718	13.65%	308,119	13.65%	308,119	13.65%	308,119	13.65%
M/s Indivision India Partners	5,692,621	15.11%	5,692,621	15.11%	341,132	15.11%	341,132	15.11%	341,132	15.11%

(c) Redeemable Cumulative Preference shares:

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million
7% Redeemable Cumulative Preference shares										
Balance at the beginning of the year	-	-	-	-	-	-	-	-	3,541,100	354.11
Less: Shares redeemed during the year	-	-	-	-	-	-	-	-	(3,541,100)	(354.11)
Balance at the end of the year	-	-	-	-	-	-	-	-	-	-

Note:

(i) The company issued 3,541,100 7% Redeemable Cumulative Preference Shares of Rs.100 each at par to Shine Limited, Mauritius during 2004 and 2005. These preference shares have been redeemed at par on November 2, 2010 out of the redemption reserve created for this purpose.

(d) Aggregate number and class of bonus shares allotted as fully paid up for the period of five years immediately preceding the balance sheet date:

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity shares with voting rights					
Fully paid up by way of bonus shares	-	35,411,000	-	-	-
TOTAL	-	35,411,000	-	-	-

ANNEXURE VII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF RESERVES AND SURPLUS

(₹ in million)					
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Capital Redemption Reserve					
Balance at the beginning of the year	-	354.11	354.11	354.11	78.55
Add: Transfer during the year	-	-	-	-	275.56
Less: Utilised during the year for issue of bonus shares	-	(354.11)	-	-	-
Balance at the end of the year	-	-	354.11	354.11	354.11
(b) Securities Premium Account					
Balance at the beginning of the year	642.96	642.96	642.96	642.96	146.37
Add: Received during the year	-	-	-	-	496.59
Less: Securities premium recoverable from ESOP trust (Premium on 56,432 shares allotted to the trust) netted from securities premium balance.	(5.25)	(5.25)	(5.25)	(5.25)	(5.25)
Balance at the end of the year	637.71	637.71	637.71	637.71	637.71
(c) General Reserve					
Balance at the beginning of the year	32.68	32.68	32.68	32.68	59.36
Less Transfer to Capital Redemption Reserve	-	-	-	-	(48.19)
Add: Transferred from surplus in Statement of Profit and Loss	-	-	-	-	21.51
Balance at the end of the year	32.68	32.68	32.68	32.68	32.68
(d) Capital Reserve					
Balance at the beginning of the year	1.67	1.67	1.67	1.67	1.67
Balance at the end of the year	1.67	1.67	1.67	1.67	1.67
(e) Foreign Exchange Translation Reserve					
Balance at the beginning of the year	232.34	145.50	94.59	7.91	24.41
Add: Adjustment during the year	40.55	91.85	53.14	86.75	(16.58)
Restatement adjustment	7.22	(5.02)	(2.23)	(0.07)	0.08
Balance at the end of the year	280.11	232.34	145.50	94.59	7.91
(f) Legal Reserve					
Balance at the beginning of the year	7.33	6.96	5.66	4.70	3.91
Add: Transfer during the year	0.09	0.37	1.30	0.96	0.79
Balance at the end of the year	7.42	7.33	6.96	5.66	4.70
(g) Surplus / (Deficit) in Statement of Profit and Loss					
Balance at the beginning of the year (Refer note (i) below)	1,024.08	735.73	381.55	128.18	211.49
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life [Net of deferred tax ₹ 21.34]	(41.45)	-	-	-	-
Add: Profit / (Loss) for the year	205.30	288.72	355.48	254.33	173.88
Less: Final Dividend proposed to be distributed to equity shareholders	-	-	-	-	(4.32)
Less: Corporate Dividend Tax on above	(0.24)	-	-	-	(3.19)
Less: Transferred to General Reserve	-	-	-	-	(21.51)
Less: Transferred to Capital redemption Reserve	-	-	-	-	(227.38)
Less: Transferred to Legal Reserve	(0.09)	(0.37)	(1.30)	(0.96)	(0.79)
Balance at the end of the year	1,187.60	1,024.08	735.73	381.55	128.18
Total	2,147.19	1,935.81	1,914.36	1,507.97	1,166.96

Note:

(i) Refer footnote (iv) of Annexure V for the adjustments made to opening balance as at April 1, 2010.

ANNEXURE VIII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF BORROWINGS

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(A) Long Term Borrowings:					
(a) Term Loan					
From banks- secured (Refer note (ii) below)	1,394.44	1,405.42	1,076.61	1,049.92	1,077.15
Share in jointly controlled entity-unsecured (Refer note (i) below)	-	1.73	-	-	-
Less: Current maturities of long-term borrowings	464.35	415.04	325.42	300.00	272.95
	930.09	992.11	751.19	749.92	804.20
(b) Vehicle Loan					
From Banks-Secured (Refer note (ii) below)	-	7.18	16.80	11.32	9.63
Less: Current maturities of long term borrowings	-	3.99	7.36	6.18	5.29
	-	3.19	9.44	5.14	4.34
Total-A	930.09	995.30	760.63	755.06	808.54
(B) Short Term Borrowings:					
From banks-Secured (Refer note (iii) below)					
(a) Cash Credit Loan	45.96	56.78	82.84	55.72	98.39
(b) Working capital Demand Loan	-	15.00	80.00	-	-
(c) Bank Overdraft	86.14	75.73	77.28	40.77	31.10
(d) Packing Credit in Foreign Currency Loan	-	-	-	20.53	-
Total-B	132.10	147.51	240.12	117.02	129.49
Total [A+B]	1,062.19	1,142.81	1,000.75	872.08	938.03

Notes:

- (i) There were no secured and unsecured loans outstanding from promoters and related parties as at March 31, 2015, 2014, 2013, 2012 & 2011
- (ii) Details of terms of repayment and security provided in respect of the secured long-term borrowings:

Type of Facility	As at March 31, 2015 (₹ in million)	Rate of interest	Repayment*	Security
Kotak Mahindra Bank Limited	12.50	10.1% p.a floating over the tenure of the facility.	The loan is repayable in 6 monthly instalments of ₹ 2.08 million each. All of which will be repaid by March 31, 2016	The loan is secured by a first pari passu charge on the current assets and movable fixed assets (other than those specifically charged to other lenders), both present and future of the Company.
Kotak Mahindra Bank Limited	21.00	11.75% p.a	The loan is repayable in 45 monthly instalments of ₹ 0.47 million each.	The loan is secured by a first pari passu charge on the current assets and movable fixed assets (other than those specifically charged to other lenders), both present and future of the Company.
Kotak Mahindra Bank Limited	17.07	11.75% p.a	The loan is repayable in 45 monthly instalments of ₹ 0.38 million each.	The loan is secured by a first pari passu charge on the current assets and movable fixed assets (other than those specifically charged to other lenders), both present and future of the Company.
HDFC Bank Limited	57.51	Base Rate plus 1.25%. 11.25% on closing date	The loan is repayable in 40 monthly instalments of ₹ 1.44 million each.	The loan is secured by a first pari passu charge on all the stock, book debts (including escrow on credit card receivables) and movable plant and machinery of the Company, both present and future.
HDFC Bank Limited	150.00	Base Rate plus 1.25%. 11.25% on closing date	The loan is repayable in 54 monthly instalments of ₹ 2.78 million each.	The loan is secured by a first pari passu charge on all the stock, book debts (including escrow on credit card receivables) and movable plant and machinery of the Company, both present and future.
Axis Bank Limited	268.75	Base Rate plus 1.10% 11.25% on closing date	The loan is repayable in 30 monthly instalments of ₹ 8.96 million each.	The loan is secured by a first pari passu charge on all current assets and movable fixed assets both present and future.
Axis Bank UAE	83.12	The effective interest rate on term loan is 6 month LIBOR+400 bps per annum.	The balance of loan is repayable in 11 instalments of USD 115,834 each (₹ 7.56 million).	Loan obtained by VLCC International (L.L.C) which is secured by the assignment of receivables, assignment of insurance policies covering stocks, hypothecation of stocks, irrevocable assignment of credit card receivables and subordination of shareholder's loan.

Type of Facility	As at March 31, 2015 (₹ in million)	Rate of interest	Repayment*	Security
Axis Bank UAE	181.18	Carrying a 6 month LIBOR + 500	The balance of loan is repayable in 58 installments of USD 50,000 each.	Loan facility of USD 3,000,000 from a bank obtained by VLCC International (L.L.C) is secured against an assignment of the credit card receivables of the subsidiary, an exclusive charge over the the current assets and fixed assets of the subsidiary and post-dated cheques for the term loan installments of the subsidiary.
Axis Bank Qatar	83.03	Interest of LIBOR plus 390 basis points.	The balance of loan is repayable in 32 installments of USD 41,667 each.	Loan facility of USD 2,000,000 from a bank obtained by VLCC International Qatar Co. (W.L.L.).
HDFC Bank Limited	37.87	Interest of USD LIBOR plus 400 basis points.	The remaining amount of loan is repayable in 19 installments of USD 25,227 each and 18 installments of USD 7,063 each.	The loan is secured through a standby letter of credit of the bank. Term loan obtained form a bank for the purpose of acquiring a subsidiary Wyann international SDN BHD. The total facility amounts to USD 1,504,800 repayable in 48 months and was fully drawn in 2013. As at March 31, 2015 AED 2,225,660 (USD 606,447) remains outstanding.
ICICI Bank Limited	188.04	Floating interest rate. Interest paid was at 3.33% per annum.	The loan is to be repaid by 60 monthly installments from September 2014. The balance of loan is repayable in installments of SGD 100,875 each.	Shares of global vantage innovative group Pte Ltd. have been pledged and a floating charge on the assets of the subsidiaries has been provided as a security. Loan obtained by VLCC Singapore PTE Ltd from a bank to finance the acquisition of a group of subsidiaries.
Mashreq Bank	17.67	The effective interest rate on term loan is MBR + 150 basis points per annum.	The balance loan is repayable in 32 installments of AED 32,459 each.	Loan facility of AED 2,000,000 from a bank obtained by VLCC International (L.L.C) which is secured by assignment of receivables, assignment of insurance policies covering stocks, hypothecation of stocks, irrevocable assignment of credit card receivables and subordination of shareholder's loan, if any.
HDFC Bank Limited	201.57	The loan bears interest rate of LIBOR plus 390 basis points.	The facility amounts to USD 3,500,000 and is payable in 60 months. In 2013-14, AED 10,495,000 (USD 2,850,000) has been drawn down and AED 2,385,000 (USD 650,000) is drawn down in year 2014-15. As at year end, AED 11,846,442 (USD 3,227,932) remains outstanding.	The loan is secured through a stand by letter of credit of the bank and personal guarantee of Mr. Mukesh Luthra (promoter). Term loan obtained for the purpose of capex requirement of VLCC International Qatar Co. W.L.L. and VLCC International Kuwait Health Care Institute Limited Liability Company.
United Overseas Bank Limited	22.17	The effective interest rate is 1.49% per annum.	The Loan is repayable by 240 monthly installments commencing from December 2009.	Loan obtained by VLCC Singapore PTE Ltd from a financial institution to finance the purchase of leasehold property and secured by the said property.
United Overseas Bank Limited	37.19	The effective interest rate is 1.49% per annum.	The Loan is repayable by 240 monthly installments commencing from June 2011.	Loan obtained by VLCC Singapore PTE Ltd from a financial institution to finance the purchase of another leasehold property and secured by the said property.
United Overseas Bank Limited	1.63	The effective interest rate is 5.02% per annum.	The loan is repayable in 48 instalments.	The loan is secured by cars for which the loan was taken. Motor vehicle outstanding as at March 31, 2015 from UCO Bank amounting to AED 95,970.
Ahli United Bank, Bahrain	0.37	The effective interest rate is 7.92% per annum.	The loan is repayable in 48 instalments.	The loan is secured by cars for which the loan was taken. Motor vehicle outstanding as at March 31, 2015 from Ahli United Bank Bahrain amounting to AED 21,938.
Emirates Islamic bank	2.79	The effective interest rate is 4.2% per annum.	The loan is repayable in 48 instalments.	The loan is secured by cars for which the loan was taken. Motor vehicle outstanding as at March 31, 2015 from Emirates Islamic Bank amounting to AED 164,040.
HDFC Bank Limited	10.97	Interest @ 10.25% per annum.	The loan is repayable in 35 monthly instalments of ₹ 0.36 million each.	The loan is secured by cars for which the loan was taken.
Total	1,394.43			

(iii) Details of terms of repayment and security provided in respect of the secured short-term borrowings:

Type of Facility	As at March 31, 2015 (₹ in million)	Rate of interest	Security
Yes Bank Limited	0.36	YES Bank Base Rate + 0.25% (Margin) per annum.	The loan is secured by a first pari passu charge on all current assets and second pari passu charge on all movable fixed assets, both present and future.
HDFC Bank Limited	26.54	HDFC Base Rate + 0.80% (Margin) per annum.	The loan is secured by a first pari passu charge on all current assets and second pari passu charge on all movable fixed assets, both present and future.
State Bank of India	19.06	SBI Base Rate + 0.50% (Margin) per annum.	The loan is secured by a first pari passu charge on all current assets and second pari passu charge on all movable fixed assets, both present and future.
Mashreq Bank	86.14	The effective interest rate on term loan is MBR + 150 basis points per annum.	Secured by the assignment of receivables, assignment of insurance policies covering stocks, hypothecation of stocks, irrevocable assignment of credit card receivables.
Total	132.10		

(iv) The Group has not defaulted in repayment of loans and interest during the year.

ANNEXURE IX

CONSOLIDATED RESTATED SUMMARY STATEMENT OF OTHER LONG-TERM LIABILITIES, CURRENT LIABILITIES AND PROVISIONS

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(A) Other Long Term Liabilities					
(a) Income received in advance (Unearned revenue)	-	-	0.60	1.80	3.00
(b) Provision for Gratuity (net)	10.41	6.06	4.13	0.02	3.97
(c) Advance from customers	0.24	0.18	0.12	-	-
(d) Security deposits received	8.20	6.20	6.58	6.78	6.70
Total-A	18.85	12.44	11.43	8.60	13.67
(B) Trade Payables (Refer note (iv) below)					
Acceptances	0.70	-	-	-	-
Other than Acceptances	927.01	841.91	604.90	488.58	442.63
Share in jointly controlled entity	-	1.09	-	-	-
Total-B	927.71	843.00	604.90	488.58	442.63
(C) Other Current Liabilities					
(a) Current maturities of term loan (Refer note (i) below)	464.35	415.04	325.42	300.00	272.95
(b) Current maturities of Vehicle loan (Refer note (i) below)	-	3.99	7.36	6.18	5.29
(c) Interest accrued but not due on borrowings	4.99	6.41	7.44	7.45	7.17
(d) Income received in advance (Unearned revenue)	-	0.60	1.87	1.20	1.69
(e) Other payables					
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Service Tax, VAT, labour welfare fund, professional tax etc.)	48.88	41.95	38.99	32.85	25.52
(ii) Payables on purchase of fixed assets					
Acceptances	1.63	4.76	2.71	-	-
Other than acceptances	15.23	17.74	19.88	16.13	26.78
(iii) Interest accrued on trade payables	0.04	0.10	0.18	0.05	0.01
(iv) Interest accrued on security deposits	0.41	0.39	0.43	0.45	0.42
(v) Trade / security deposits received	0.24	0.26	0.55	0.95	0.48
(vi) Advance from customers	561.20	480.87	447.42	292.79	212.76
(vii) Book overdraft	-	0.42	44.49	2.52	15.26
(viii) Interest on advance tax	1.53	2.80	0.91	1.85	2.22
(ix) Provision for gratuity (net)	0.39	0.26	0.39	0.05	0.26
(x) Payable to Franchisee	-	0.85	-	-	-
(xi) Payable to jointly controlled entity	-	0.67	-	-	-
(xii) Contractually reimbursable expenses	0.17	-	-	-	-
(f) Share in jointly controlled entity	-	-	-	-	-
(i) Statutory remittances (Contributions to Withholding Taxes, Service Tax, professional tax etc.)	-	0.02	-	-	-
Total-C	1,099.06	977.13	898.04	662.47	570.81
(D) Long-Term Provisions					
(a) Provision for employee benefits:					
Provision for compensated absences	16.31	8.72	7.43	6.12	6.88
(b) Provision for gratuity	39.99	35.81	21.40	15.71	7.96
Total-D	56.30	44.53	28.83	21.83	14.84

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(E) Short-Term Provisions					
(a) Provision for employee benefits:					
Provision for compensated absences	0.57	0.52	0.49	0.38	0.39
(b) Provision for gratuity	4.45	0.07	1.76	0.71	0.71
(c) Provision - Others:					
(i) Provision for tax [net of advance tax] (Refer note (ii) & (iii) below)	18.70	22.21	17.48	30.20	28.07
(ii) Wealth tax	0.23	0.17	0.18	0.16	0.16
(iii) Provision for proposed equity dividend	-	-	-	-	4.32
(iv) Provision for tax on proposed dividends	-	-	-	-	0.70
Total-E	23.95	22.97	19.92	31.45	34.35
TOTAL [A+B+C+D+E]	2,125.87	1,900.07	1,563.12	1,212.93	1,076.30

Notes:

- (i) For the details of terms of repayment and security provided in respect of the loans refer footnote no (ii) of Annexure-VIII.
- (ii) Provision for tax as at March 31, 2014 includes ₹ 0.13 million as share of jointly controlled entity.
- (iii) Provision for tax is net of following advance:

	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Advance tax	582.22	470.43	376.36	272.32	195.99

- (iv) Trade Payable include amount due to Key management personnel (Refer Annexure XX)

ANNEXURE X

CONSOLIDATED RESTATED SUMMARY STATEMENT OF FIXED ASSETS

(₹ in million)

Particulars	Tangible Assets										Intangible assets			
	Furniture and Fixtures	Land-freehold	Land- leasehold	Buildings	Plant and equipment	Vehicles	Office equipment	Leasehold improvements	Computer equipment's	Total	Goodwill	Computer Software	Trademarks	Total
Gross Block (at cost)														
Balance as at April 1, 2010	111.84	26.50	4.47	100.93	417.56	48.94	231.95	1,438.92	45.01	2,426.12	0.93	6.02	0.45	7.40
Additions	22.10	-	-	16.92	88.00	-	59.72	469.71	10.90	667.35	-	4.73	-	4.73
Disposals	5.06	-	-	-	10.76	5.92	6.72	20.65	2.46	51.57	-	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of foreign currency translation	(0.83)	-	-	-	-	0.11	(0.51)	(21.23)	(0.62)	(23.08)	-	-	-	-
Balance as at March 31, 2011	128.05	26.50	4.47	117.85	494.80	43.13	284.44	1,866.75	52.83	3,018.82	0.93	10.75	0.45	12.13
Additions	22.17	-	-	16.06	44.53	12.50	26.91	212.15	7.84	342.16	-	36.37	-	36.37
Disposals	4.75	-	-	-	14.29	0.23	7.88	12.15	2.09	41.39	-	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	-	2.15	-	2.15	-	-	-	-
Effect of foreign currency translation	5.42	-	-	-	-	2.27	17.24	142.15	1.60	168.68	-	-	-	-
Balance as at March 31, 2012	150.89	26.50	4.47	133.91	525.04	57.67	320.71	2,211.05	60.18	3,490.42	0.93	47.12	0.45	48.50
Additions	13.31	-	-	17.66	67.75	15.62	48.07	454.07	10.45	626.93	-	0.47	-	0.47
Disposals	3.81	26.50	-	0.99	21.35	1.29	7.30	35.67	2.48	99.39	-	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	-	1.84	-	1.84	-	-	-	-
Other adjustments	-	-	-	-	-	-	43.47	47.80	-	91.27	-	-	-	-
Effect of foreign currency translation	3.13	-	-	-	-	1.42	10.20	83.88	1.12	99.75	-	-	-	-
Balance as at March 31, 2013	163.52	-	4.47	150.58	571.44	73.42	415.15	2,762.96	69.28	4,210.82	0.93	47.59	0.45	48.97
Additions	17.13	-	-	13.18	77.03	3.73	75.50	794.52	17.60	998.69	-	5.57	-	5.57
Disposals	2.47	-	-	-	23.03	0.47	5.98	29.48	3.53	64.96	-	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	-	3.51	-	3.51	-	-	-	-
Adjustment due to fire at Thane location, Mumbai	0.05	-	-	-	4.06	-	1.03	-	0.23	5.37	-	-	-	-
Effect of foreign currency translation	5.57	-	-	-	-	3.93	24.80	177.60	2.24	214.14	-	-	-	-
Balance as at March 31, 2014	183.69	-	4.47	163.76	621.38	80.61	508.44	3,709.11	85.36	5,356.83	0.93	53.16	0.45	54.54
Additions	16.62	-	0.08	0.45	76.97	27.16	58.48	614.73	9.86	804.35	-	6.81	-	6.81
Disposals	12.64	-	-	-	28.34	7.95	8.46	85.58	2.66	145.63	-	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	-	2.04	-	2.04	-	-	-	-
Adjustment due to fire at Noida location	2.80	-	-	-	4.60	-	0.64	9.68	0.09	17.81	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of foreign currency translation	2.50	-	-	-	-	1.31	3.14	75.26	1.12	83.33	-	-	-	-
Balance as at March 31, 2015	187.38	-	4.55	164.21	665.41	101.14	560.95	4,305.88	93.59	6,083.11	0.93	59.97	0.45	61.35

(₹ in million)

Particulars	Tangible Assets										Intangible assets			
	Furniture and Fixtures	Land-freehold	Land-leasehold	Buildings	Plant and equipment	Vehicles	Office equipment	Leasehold improvements	Computer equipment's	Total	Goodwill	Computer Software	Trademarks	Total
Accumulated Depreciation														
Balance as at April 1, 2010	42.42	-	0.20	2.09	114.83	11.89	51.09	383.09	24.38	629.99	0.93	3.17	0.18	4.28
Depreciation / amortisation expense for the year	10.72	-	0.05	3.64	33.64	7.23	17.83	188.35	8.32	269.78	-	0.49	0.05	0.54
Impairment losses recognised in statement of profit and loss	-	-	-	-	-	-	-	2.92	-	2.92	-	-	-	-
Eliminated on disposal of assets	2.69	-	-	-	5.85	3.87	1.91	10.60	2.25	27.17	-	-	-	-
Effect of foreign currency translation	(9.11)	-	-	-	-	(0.12)	(0.74)	(7.89)	8.54	(9.33)	-	-	-	-
Balance as at March 31, 2011	41.34	-	0.25	5.73	142.62	15.13	66.27	555.87	38.99	866.19	0.93	3.66	0.23	4.82
Depreciation / amortisation expense for the year	14.67	-	0.05	4.28	41.01	6.59	26.13	248.67	7.95	349.35	-	5.94	0.05	5.99
Impairment losses recognised in statement of profit and loss	0.50	-	-	-	0.02	-	0.52	7.86	-	8.90	-	-	-	-
Eliminated on disposal of assets	4.04	-	-	-	11.24	0.23	6.89	9.10	2.03	33.53	-	-	-	-
Effect of foreign currency translation	2.85	-	-	-	-	1.32	5.35	47.06	0.98	57.57	-	-	-	-
Balance as at March 31, 2012	55.32	-	0.30	10.01	172.41	22.81	91.38	850.36	45.89	1,248.48	0.93	9.60	0.28	10.81
Depreciation / amortisation expense for the year	13.98	-	0.05	4.46	46.15	10.59	33.64	312.94	8.48	430.29	-	7.62	0.05	7.67
Impairment losses recognised in statement of profit and loss	-	-	-	-	1.64	-	0.08	-	0.01	1.73	-	-	-	-
Eliminated on disposal of assets	3.17	-	-	0.13	19.83	0.56	6.39	37.38	2.45	69.91	-	-	-	-
Effect of foreign currency translation	1.97	-	-	-	-	1.07	4.12	35.57	0.70	43.43	-	-	-	-
Balance as at March 31, 2013	68.10	-	0.35	14.34	200.37	33.91	122.83	1,161.49	52.63	1,654.02	0.93	17.22	0.33	18.48
Depreciation / amortisation expense for the year	14.51	-	0.05	5.36	50.45	10.96	47.03	421.81	10.36	560.53	-	8.07	0.05	8.12
Impairment losses recognised in statement of profit and loss	-	-	-	-	1.41	-	(0.05)	6.94	(0.01)	8.29	-	-	-	-
Eliminated on disposal of assets	1.90	-	-	-	21.43	0.18	4.42	22.08	3.39	53.40	-	-	-	-
Fixed assets of Mumbai thane west written off	0.03	-	-	-	2.80	-	0.33	-	0.23	3.39	-	-	-	-
Effect of foreign currency translation	3.91	-	-	-	-	2.24	9.79	80.98	1.56	98.48	-	-	-	-
Balance as at March 31, 2014	84.58	-	0.40	19.70	228.00	46.93	174.85	1,649.14	60.92	2,264.53	0.93	25.29	0.38	26.60
Depreciation / amortisation expense for the year	22.21	-	0.05	5.15	54.42	12.00	79.97	433.01	14.65	621.46	-	8.99	0.05	9.04
Impairment losses recognised in statement of profit and loss	-	-	-	-	(0.22)	-	-	1.16	-	0.94	-	-	-	-
Eliminated on disposal of assets	10.33	-	-	-	22.87	4.43	7.51	83.32	2.55	131.00	-	-	-	-
Adjustment due to fire at Noida location	2.44	-	-	-	2.65	-	0.19	4.77	0.06	10.11	-	-	-	-
Transition adjustment (Refer note (ii) below)	1.96	-	-	-	0.15	0.17	57.16	-	3.36	62.80	-	-	-	-
Effect of foreign currency translation	1.86	-	-	-	-	1.21	2.01	40.74	0.74	46.55	-	-	-	-
Balance as at March 31, 2015	97.84	-	0.45	24.85	256.83	55.88	306.29	2,035.95	77.06	2,855.16	0.93	34.28	0.43	35.64
Net Block														
Balance as at 31 March, 2011	86.71	26.50	4.22	112.12	352.18	28.00	218.18	1,310.88	13.84	2,152.63	-	7.09	0.22	7.31
Balance as at 31 March, 2012	95.57	26.50	4.17	123.90	352.63	34.86	229.33	1,360.68	14.30	2,241.94	-	37.52	0.17	37.69
Balance as at 31 March, 2013	95.42	-	4.12	136.24	371.07	39.51	292.32	1,601.47	16.65	2,556.80	-	30.37	0.12	30.49
Balance as at 31 March, 2014	99.11	-	4.07	144.06	393.38	33.69	333.58	2,059.97	24.44	3,092.30	-	27.87	0.07	27.94
Balance as at 31 March, 2015	89.54	-	4.10	139.36	408.58	45.25	254.66	2,269.93	16.53	3,227.95	-	25.69	0.02	25.71

Notes:

(i) Details of assets acquired under hire purchase agreements and installation due within one year:

(₹ in million)

Particulars	Gross block as at				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Vehicles	47.19	41.03	43.57	35.91	23.65
Instalment within one year	4.46	3.99	7.36	6.18	5.29

(ii) Land admeasuring 7,200 sq.Mtrs has been acquired by the company under a lease agreement with State Industrial Development Corporation of Uttaranchal for a lease period of 90 years commencing from March 22, 2006.

(iii) Gross block of fixed assets include assets provided to employees of the company.

(₹ in million)

Particulars	Gross block as at				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Fixed assets provided to the employees	7.99	6.88	4.85	3.78	3.79

ANNEXURE X-A

CONSOLIDATED RESTATED SUMMARY STATEMENT OF GOODWILL ON CONSOLIDATION

(₹ in million)					
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Opening Balance	169.10	100.30	-	-	-
Add: On acquisition of subsidiary during the year	116.42	64.40	96.10	-	-
Effects of Exchange Translation	7.34	9.96	-	-	-
Restatement adjustment	(15.25)	(5.56)	4.20	-	-
Total	277.61	169.10	100.30	-	-

Note:

Goodwill on consolidation recorded towards acquisition of following entities:

- (1) 76% of Wyann International SDN BHD, Malaysia acquired on October 25, 2012.
- (2) 80% of Global Vantage Innovative Group Pte Ltd. (GVIG), Singapore acquired on September 2, 2013 and additional 5% acquired during the year ended March 31, 2015.
- (3) 100% of VLCC Wellness Research Centre Private Limited acquired on December 9, 2014.

ANNEXURE XI

CONSOLIDATED RESTATED SUMMARY STATEMENT OF NON-CURRENT INVESTMENT

(₹ in million)					
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Other Investments at cost					
Investment in government securities					
6 year National Savings Certificate (pledged with sales tax authorities)	0.04	0.04	0.04	0.04	0.04
Total	0.04	0.04	0.04	0.04	0.04

ANNEXURE XII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF LOANS AND ADVANCES, OTHER CURRENT AND OTHER NON- CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(A) Long Term Loans and Advances					
Unsecured, considered good					
(a) Capital advances	12.47	17.92	16.51	19.08	31.36
(b) Security deposits	232.18	226.64	219.23	181.09	174.89
(c) Prepaid expenses	1.80	0.80	0.24	0.09	0.11
(d) Loans and advances to employees	0.24	0.16	0.17	0.75	0.07
(e) Loans and advances to jointly controlled entity	-	1.35	-	-	-
(f) Minimum Alternative Tax Credit Entitlement	172.97	185.05	130.16	83.01	46.75
(g) Balance with government authorities	-	-	-	-	-
VAT paid under protest	3.50	1.97	-	-	-
Luxury Tax paid under protest	0.26	-	-	-	-
	<u>423.42</u>	<u>433.89</u>	<u>366.31</u>	<u>284.02</u>	<u>253.18</u>
Doubtful					
(a) Security deposits	0.37	0.37	0.62	0.62	0.25
Less: Provision for doubtful deposits	<u>0.37</u>	<u>0.37</u>	<u>0.62</u>	<u>0.62</u>	<u>0.25</u>
	-	-	-	-	-
[Total-A]	423.42	433.89	366.31	284.02	253.18
(B) Other Non-Current Assets					
(a) Balance with banks					
(i) In deposit accounts [Refer Note (i) below]	12.08	7.55	7.15	6.46	17.18
(b) Accruals					
(ii) Interest accrued on deposits	0.42	0.06	0.05	0.06	0.13
Long-term trade receivables					
Unsecured, considered doubtful	15.00	10.00	-	-	-
Less: Provision for doubtful trade receivables	<u>15.00</u>	<u>10.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-
[Total-B]	12.50	7.61	7.20	6.52	17.31
(C) Short Term Loans and Advances					
Unsecured, considered good					
(a) Loans and advances to related parties	-	-	61.28	12.89	15.24
(b) Security deposits (Refer note (ii) below)	5.46	8.80	2.40	10.68	13.90
(c) Loans and advances to employees (Refer note (iii) below)	11.33	13.80	12.26	6.39	7.71
(d) Prepaid expenses	69.72	63.55	62.15	40.38	41.23
(e) Advance given to suppliers	37.13	28.51	23.46	7.67	11.80
(f) Balances with government authorities					
(i) VAT credit recoverable	7.01	3.31	0.64	2.49	3.10
(ii) Sales tax paid under protest	-	-	2.24	2.24	2.24
(iii) Service tax credit recoverable	12.38	14.15	10.26	9.05	9.21
(g) Others					
(i) DEPB receivable	-	0.06	0.37	0.42	-
(ii) Duty drawback	1.69	1.85	0.71	0.04	-
(iii) FPS receivable	7.47	0.86	-	-	-
(iv) Other advances	3.23	0.27	0.05	2.27	1.99
(v) Advance custom duty	-	-	-	-	0.19
(vi) Additional custom duty	-	-	-	0.10	-
	<u>155.42</u>	<u>135.16</u>	<u>175.82</u>	<u>94.62</u>	<u>106.61</u>
Doubtful					
(a) Loans and advances to employees	0.58	0.30	0.52	0.30	0.25
(b) Advance to suppliers	0.66	-	0.20	0.53	0.39
(c) Others	<u>0.54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	1.78	0.30	0.72	0.83	0.64
Less: Provision for doubtful advances	<u>1.78</u>	<u>0.30</u>	<u>0.72</u>	<u>0.83</u>	<u>0.64</u>
	-	-	-	-	-
[Total-C]	155.42	135.16	175.82	94.62	106.61

(₹ in million)					
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(D) Other Current Assets					
Unsecured, considered good					
(i) Insurance claims	9.70	0.08	0.04	1.31	-
(ii) Contractually reimbursable expenses	-	1.31	-	0.57	4.15
(iii) Claims recoverable	1.73	1.80	1.40	5.27	-
(iv) Interest income recoverable	-	-	-	-	-
(v) Receivables on sale of fixed assets	0.20	0.39	-	-	-
(vi) Receivable from franchisee	-	1.02	-	-	-
(vii) Rent receivable	0.40	0.36	0.36	-	0.08
(viii) Accruals					
Interest accrued on deposits	-	-	-	-	0.16
Unsecured, considered doubtful					
(i) Receivables on sale of fixed assets	0.16	-	-	-	-
(ii) Receivable from franchisee	0.45	-	-	-	-
	0.61	-	-	-	-
Less: Provision for doubtful assets	0.61	-	-	-	-
[Total-D]	12.03	4.96	1.80	7.15	4.39
[Total- A+B+C+D]	603.37	581.62	551.13	392.32	381.49

Notes:

- (i) Deposits lodged with banks for issue of guarantees in favour of sales tax authorities and other government authorities.
- (ii) Includes deposits of ₹ 0.60 million paid to Commercial Tax KVAT, Kochi in financial year 2012-13, 2013-14 and 2014-15
- (iii) Loans and advances to employees include amount due from Directors (Refer Annexure XX)
- (iv) Apart from those disclosed under A(e), C (g)(iv) separately above, there were no loans and advances standing in the books of the Group which have been given to the promoter/ related parties.

ANNEXURE XIII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF INVENTORIES

(At lower of cost and net realisable value)

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Raw Materials	50.50	55.15	40.55	28.19	40.72
(b) Packing Materials	88.47	71.41	36.82	34.10	24.72
(c) Work in Progress (Refer note (i) below)	2.18	2.25	6.25	8.94	12.17
(d) Finished goods (Refer note (ii) below)	76.93	42.56	71.38	51.24	28.62
(e) Stock in trade (acquired for trading) (Refer note (ii) below)	187.45	162.16	88.65	31.52	22.90
(f) Consumables	92.55	91.98	115.58	122.24	115.71
(g) Goods in transit (Finished Goods)	4.02	-	-	2.72	1.53
Restatement adjustment	-	(0.41)	-	-	-
Total	502.10	425.10	359.23	278.95	246.37

Notes:

(i) Details of inventory of work in progress:

Bulk	1.68	1.31	2.31	6.25	2.95
Remix	0.50	0.95	3.95	2.69	1.79
Kits under packing	-	-	-	-	7.42
	2.18	2.26	6.26	8.94	12.16

(ii) Detail of inventory lying with C&F agents:

Finished Goods	35.85	20.12	33.99	22.02	13.73
Stock-in-Trade	2.36	0.77	7.69	4.91	0.92

ANNEXURE XIV

CONSOLIDATED RESTATED SUMMARY STATEMENT OF TRADE RECEIVABLES

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment					
Unsecured, considered good	37.93	25.05	7.08	3.90	1.29
Doubtful	13.57	11.60	12.96	6.35	4.49
	51.50	36.65	20.04	10.25	5.78
Less: Provision for doubtful trade receivables	13.57	11.60	12.96	6.35	4.49
	37.93	25.05	7.08	3.90	1.29
Other Trade receivables					
Secured, considered good (Refer note (i) below)	0.09	0.18	0.40	0.33	-
Unsecured, considered good	539.06	408.75	337.48	209.29	100.76
Doubtful	-	-	1.84	0.82	-
	539.15	408.93	339.72	210.44	100.76
Less: Provision for doubtful trade receivables	-	-	1.84	0.82	-
	539.15	408.93	337.88	209.62	100.76
Total	577.08	433.98	344.96	213.52	102.05

Note:

(i) Other trade receivables are secured to the extent of security deposits received from the franchisees.

ANNEXURE XV

CONSOLIDATED RESTATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars		As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a)	Cash on hand (Refer note (i) below)	53.24	58.60	59.38	40.19	29.49
(b)	Cheques in hand	49.23	29.64	10.77	14.90	11.15
(c)	Balances with banks					
	(i) In current accounts	167.08	210.50	154.65	151.22	147.48
	(ii) In fixed deposit accounts	-	0.22	-	-	7.74
	(iii) In earmarked accounts					
	- Unpaid dividend accounts	-	-	-	-	-
(d)	Credit card receivables	59.70	52.03	60.75	42.13	27.78
(e)	Others					
	- Gold coin (Nos: 1)	-	0.03	0.03	-	-
(f)	Share in jointly controlled entity					
	(i) In current accounts	-	0.29	-	-	-
Total		329.25	351.31	285.58	248.44	223.64
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		329.25	351.31	285.58	248.44	223.64
Notes :						
(i)	Includes foreign currency equivalent to :	7.34	6.03	12.76	8.61	6.94

ANNEXURE XVI

CONSOLIDATED RESTATED SUMMARY STATEMENT OF OPERATIONAL INCOME AND EXPENSE

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(I) REVENUE:					
(A) Sale of products (Refer Note (i) below)	2,513.74	1,877.38	1,500.35	1,115.75	689.53
Less: Excise Duty	0.17	0.00	0.00	0.00	0.00
Total	2,513.57	1,877.38	1,500.35	1,115.75	689.53
(B) Sale of services					
(i) Beauty & slimming sales	5,155.30	4,861.13	4,175.71	3,397.89	2,864.69
(ii) Tuition fees	365.18	292.89	264.47	203.14	181.06
(iii) Franchisees and collaborator income	21.71	16.39	19.27	13.74	7.58
(iv) Royalty income	44.49	35.92	33.34	27.86	25.69
(v) Revenue from yoga and physiotherapy services	-	0.55	-	-	-
(vi) Beauty zones	-	0.05	0.01	-	-
(vii) Share in jointly controlled entity	-	1.16	-	-	-
Total	5,586.68	5,208.09	4,492.80	3,642.63	3,079.02
(C) Other operating revenue					
(i) FPS License	7.45	1.03	-	-	-
(ii) Duty Drawback	2.65	3.15	1.13	0.71	-
(iii) Royalty	-	-	-	2.20	5.21
Total	10.10	4.18	1.13	2.91	5.21
TOTAL REVENUE FROM OPERATION [(A) to (C)]	8,110.35	7,089.65	5,994.28	4,761.29	3,773.76
(II) EXPENSES:					
(A) Materials Consumed (Refer Note (i) below)					
(i) Raw Materials					
Opening stock	55.15	40.55	28.19	40.72	16.51
Add: Purchases	328.92	229.57	219.12	140.03	113.60
Less: Closing stock	50.50	55.15	40.55	28.19	40.72
Total	333.57	214.97	206.76	152.56	89.39
(ii) Packing Materials					
Opening stock	71.41	36.82	34.10	24.72	14.39
Add: Purchases	349.59	250.61	185.86	125.43	83.07
Less: Closing stock	88.47	71.41	36.82	34.10	24.72
Total	332.53	216.02	183.14	116.05	72.74
(iii) Consumables					
Opening stock	91.98	115.58	122.24	115.71	46.92
Add: Purchases	626.27	633.06	626.16	354.36	218.16
Less: Closing stock	92.55	91.98	115.58	122.24	115.71
Total	625.70	656.66	632.82	347.83	149.37
[Total- A = ((i)+(ii)+(iii))]	1,291.80	1,087.65	1,022.72	616.44	311.50
(B) Purchase Of Traded Goods (Refer Note (i) below)					
Purchase of Goods held for resale	77.85	67.48	50.44	47.70	34.51
Total	77.85	67.48	50.44	47.70	34.51
(C) Changes In Inventories Of Stock-in-trade, finished goods and work in progress					
(i) Inventories at the end of the year:					
Finished goods	76.93	42.56	71.38	51.24	28.62
Stock-in-trade (acquired for trading)	187.45	162.16	88.65	31.52	22.90
Work in progress	2.18	2.25	6.25	8.94	12.17
Total	266.56	206.97	166.28	91.70	63.69
(ii) Inventories at the beginning of the year:					
Finished goods	42.56	71.38	51.24	28.62	24.72
Stock-in-trade (acquired for trading)	162.16	88.65	31.52	22.90	28.33
Work in progress	2.25	6.25	8.94	12.17	4.03
Total	206.97	166.28	91.70	63.69	57.08
Net Increase Total- C = [(ii)-(i)]	(59.59)	(40.69)	(74.58)	(28.01)	(6.61)

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(D) Employee Benefits Expenses					
Salaries and wages	1,882.83	1,675.84	1,289.77	1,022.10	981.30
Contributions to provident and other funds	50.28	39.26	36.65	29.04	33.55
Gratuity (Refer Note (iii) below)	15.78	1.37	1.40	0.64	0.52
Staff welfare expenses	45.29	41.35	50.59	46.66	49.38
Share in jointly controlled entity:					
- Salaries and wages	1.31	0.05	-	-	-
Restatement adjustment	0.00	(2.17)	(8.61)	(3.91)	(3.80)
Total	1,995.49	1,755.70	1,369.80	1,094.53	1,060.95
(E) Depreciation and amortisation expense [Refer Note (ii) below]	630.50	568.65	437.96	355.34	270.32
(F) Other Expenses					
Consumables	4.36	3.50	2.85	1.96	1.86
Power and fuel	3.68	4.21	3.31	2.91	2.37
Electricity and water charges	126.70	112.65	97.54	82.08	73.38
Rent [Refer Annexure- IV B]	726.35	706.59	598.57	541.59	459.52
Repairs and maintenance - Building	21.92	19.27	12.23	15.25	12.75
Repairs and maintenance - Equipment	24.71	22.44	17.12	12.92	15.42
Repairs and maintenance - Others	53.34	51.53	49.34	32.83	26.34
Insurance	13.89	10.19	9.20	8.71	9.97
Rates and taxes	12.26	13.42	11.36	7.86	6.45
Communication Expenses	55.97	54.22	45.42	41.07	43.61
Travelling and conveyance	222.98	188.80	170.73	118.53	105.84
Vehicle running and maintenance	13.28	11.66	10.32	7.92	4.96
Printing and stationery	23.60	19.97	23.30	18.63	19.10
Freight inwards	1.56	1.24	0.77	1.45	8.43
Incentive on sales	428.21	401.59	333.30	264.81	202.65
Share of Profits of Collaborators	0.85	3.12	4.84	7.12	10.41
Expenditure on Corporate Social Responsibility	3.56	-	-	-	-
Donation	0.00	1.30	1.04	1.53	0.57
Legal and professional	166.19	134.37	109.39	83.54	91.18
Payments to auditors	10.34	7.63	6.33	5.53	4.77
House keeping charges	130.67	124.39	115.42	105.26	93.32
Office expenses	18.38	35.89	15.61	13.68	11.83
Generator and maintenance charges	37.18	33.02	35.41	30.40	28.40
Laundry expenses	21.43	21.01	20.74	19.63	18.38
Security charges	15.51	14.73	15.31	14.74	14.00
Wages	66.17	32.63	19.63	17.57	12.01
Membership and subscription	1.35	1.34	1.41	1.74	1.81
Directors sitting fees	1.65	0.36	0.17	0.24	0.36
Royalty	10.25	2.24	1.78	1.25	-
Advertisement	922.29	715.61	557.25	467.77	330.03
Sales Promotion	278.99	154.48	149.19	127.82	79.72
Discounts and schemes	60.91	56.98	44.88	24.99	23.66
Exhibition expenses	15.96	4.93	6.83	4.33	5.67
Commission to clearing and forwarding agents	48.01	36.51	35.03	24.23	15.54
Freight and forwarding charges	42.60	33.12	33.56	28.33	13.02
Octroi	14.35	14.80	12.02	10.90	5.82
Provision for doubtful trade receivables	19.57	13.21	10.48	3.53	2.19
Bad trade receivables	4.55	2.66	1.54	1.36	3.80
Provision for doubtful advances	1.64	0.23	0.22	0.85	0.28
Provision for impairment of tangible fixed assets	1.16	8.29	1.73	8.90	2.92
Advances and security deposit written off	3.75	3.92	0.68	0.92	4.94
Fixed assets written off	5.44	4.58	0.26	-	15.26
Expenditure on Brand and Cinematograph- Restatement adjustment (Refer Annexure V)	-	0.45	11.34	14.51	-
Inventory written off- Restatement adjustment (Refer Annexure V)	-	0.41	-	-	-
Fixed assets damaged due to fire	7.72	1.99	-	-	-
Provision for doubtful assets	0.61	-	-	-	-
Capital work in progress written off during the year	-	-	-	-	1.22
Loss on fixed assets sold (net)	4.21	2.59	-	5.32	3.91
Net loss on foreign currency transactions and translations	0.36	-	0.69	-	0.44
Miscellaneous expenses	89.87	71.80	67.22	33.06	36.10
Share in jointly controlled entity	2.66	1.66	-	-	-
Total	3,740.99	3,161.53	2,665.36	2,217.57	1,824.21

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(G) Finance Cost					
(a) Interest expense on:					
(i) Borrowings	124.71	129.29	127.16	141.07	72.12
(ii) Trade payables	0.02	0.10	0.14	0.05	0.01
(iii) Others					
- Interest on delayed payment of income tax	1.53	2.83	0.91	2.56	2.22
- Interest on VAT	0.06	-	-	-	-
- Interest on security deposits	0.45	0.43	0.43	0.45	0.42
(b) Credit card charges etc.	70.14	66.73	52.36	37.85	25.47
(c) Share in jointly controlled entity					
(i) Bank charges	-	-	-	-	-
(ii) Borrowings	0.02	-	-	-	-
(iii) Interest on delayed payment of income tax	-	-	-	-	-
(iv) Interest on service tax	0.01	-	-	-	-
Total	196.94	199.38	181.00	181.98	100.24
TOTAL EXPENSES [(A) to (G)]	7,873.98	6,799.70	5,652.70	4,485.55	3,595.12

Note:

(i) It is not practicable to furnish the broad heads in view of the considerable number of items diverse in nature and size.

(ii) Depreciation and amortisation expense (*):

Depreciation on Tangible assets	621.46	560.53	430.29	349.35	269.78
Depreciation on Intangible assets	9.04	8.12	7.67	5.99	0.54
Total	630.50	568.65	437.96	355.34	270.32

* the Group has during the year ended March 31, 2015 revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II to the Companies Act, 2013 with effect from April 1, 2014. The depreciation expense is higher by ₹ 26.20 consequent to the change in the useful life of the assets.

(iii) Represents expenses related to unfunded benefits with respect to gratuity payable to employees of subsidiaries within the Group.

ANNEXURE XVI-A

CONSOLIDATED RESTATED SUMMARY STATEMENT OF EXCEPTIONAL ITEMS

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Amount due from a member of subsidiary written off	-	-	2.30	-	-
Settlement cost of loans not part of acquisition	-	-	6.64	-	-
Settlement of litigations claims	-	-	-	6.89	-
Total	-	-	8.94	6.89	-

ANNEXURE XVII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF OTHER INCOME

Particulars	Nature (Recurring / Non Recurring)	(₹ in million)				
		Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(a) Interest income [Refer Note (i) below]	Recurring	1.08	1.00	0.99	0.74	1.72
(b) Gain on sale of mutual funds (net)	Non- Recurring	-	-	0.27	0.45	0.05
(c) Dividend income from Current Investments (Mutual Funds)	Non- Recurring	-	-	-	-	0.07
(d) Net gain on foreign currency transactions and translation	Recurring	-	2.50	-	4.39	-
(e) Other non-operating income [Refer Note (ii) below]		52.01	35.87	44.92	20.13	28.13
Total		53.09	39.37	46.18	25.71	29.97

Notes:

(i) Interest income comprises:						
- Interest from banks on Deposits		0.80	0.74	0.58	0.57	0.71
- Interest on Security Deposits		0.07	0.06	0.06	0.06	0.07
- Interest on loans and advances		0.20	0.20	0.24	0.11	0.08
- Interest on income tax refund		0.01	-	0.11	-	-
- Interest on overdue receivables		-	-	-	-	0.86
Total - Interest income		1.08	1.00	0.99	0.74	1.72
(ii) Other non-operating income comprises:						
Liabilities written back	Recurring	18.80	16.65	11.10	11.01	3.72
Provision for doubtful trade receivables written back	Recurring	12.31	6.19	2.85	0.86	2.76
Provision for doubtful advances written back	Recurring	0.16	0.65	0.34	0.28	0.56
Provision for doubtful deposits written back	Non- Recurring	-	0.25	-	-	-
Profit on sale of fixed assets (net)	Recurring	-	-	26.79	-	-
Bad trade receivables recovered	Non- Recurring	0.17	0.31	-	0.73	0.62
Reversal of provision on impairment of fixed assets	Non- Recurring	0.22	0.44	-	-	-
Sale of assets to franchisees	Non- Recurring	1.84	0.77	-	-	-
Insurance Income	Non- Recurring	9.70	-	-	-	-
Miscellaneous Income	Recurring	8.81	10.61	3.84	7.25	20.47
Total - Other non-operating income		52.01	35.87	44.92	20.13	28.13

ANNEXURE XVIII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF DIVIDEND PAID ON EQUITY SHARES

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Class of shares					
Face value : ₹ 10 per share					
Number of Equity Shares (C)	-	-	-	-	2,257,283
Dividend on Equity Shares					
Rate of Dividend (%)	-	-	-	-	19%
Dividend Per Share (₹) [(A-B)/C]	-	-	-	-	1.9
Amount of Dividend (₹ in million) (A)	-	-	-	-	5.02
Corporate Dividend Tax (₹ in million) (B)	-	-	-	-	0.70

ANNEXURE XIX

CONSOLIDATED RESTATED SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars		Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Profit after tax as restated (₹ in million)	A	205.30	288.72	355.48	254.33	173.88
Profit after tax as restated (Refer note (v)) (₹ in million)	B	205.30	288.72	355.48	254.33	173.88
Weighted average number of equity shares outstanding during the year (Refer note (i) below)	C	37,206,180	37,213,009	37,187,764	37,099,709	36,985,456
Dilutive impact of potential equity shares	D	-	-	-	-	-
Number of equity shares outstanding at end of the year	E	37,206,180	37,213,009	37,187,764	37,099,709	36,985,456
Restated net worth excluding preference share capital at the end of the year (₹ in million)	F	2,523.31	2,311.93	1,936.37	1,529.98	1,188.97
Accounting Ratios : (Refer note (ii) below)						
Basic earnings per share (₹)	A/C	5.52	7.76	9.56	6.86	4.70
Diluted earnings per share (₹)	B/(C+D)	5.52	7.76	9.56	6.86	4.70
Return on net worth (%)	A/F	8.14	12.49	18.36	16.62	14.62
Net asset value per equity share (₹)	F/E	67.82	62.13	52.07	41.24	32.15

Notes :

- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specified shares are outstanding as a proportion of total number of days during the year.
- The above ratios have been computed on the basis of the consolidated restated summary statements- Annexure I and Annexure II.
Net Worth means the aggregate value of the paid up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- The ratios have been computed as below:

(a) Earnings per share(₹)

$$\frac{\text{Profit after tax as restated}}{\text{Weighted average number of equity shares (including Bonus Shares) outstanding during the year}}$$

(b) Return on Net Worth (%)

$$\frac{\text{Profit after tax as restated}}{\text{Net Worth excluding revaluation reserve at the end of the year}}$$

(c) Net asset value per equity share (₹)

$$\frac{\text{Restated net worth excluding revaluation reserve and preference share capital at the end of the year}}{\text{Number of equity shares (excluding Bonus Shares upto March 31, 2014) outstanding at the end of the year}}$$

- Earnings per share have been computed in accordance with Accounting Standard-20 "Earnings per share" issued by the Institute of Chartered Accountants of India.
- There is no dilutive potential equity shares hence, profit after tax under B is same as A.

CONSOLIDATED RESTATED SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(a) Details of related parties as per Accounting Standard-18 "Related Party Transactions" issued by Institute of Chartered Accountants of India and Companies Act, 2013.

Description of relationship	Names of related parties				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Jointly Controlled Entity	Yap Yoga Pvt Ltd (Jointly controlled entity till March 29, 2015)	Yap Yoga Pvt Ltd	None	None	None
Key Management Personnel (KMP)	<i>Directors:</i> Mukesh Luthra Sandeep Ahuja Ashutosh Bhardwaj <i>Chief Executive Officer:</i> Praful Dwivedi (GCC-Refer note (ii) below) <i>Chief Financial Officers:</i> Narinder Kumar [w.e.f August 18, 2014] V.Rajalakshmi [w.e.f April 1, 2014]	<i>Directors:</i> Mukesh Luthra Sandeep Ahuja Ashutosh Bhardwaj <i>Chief Executive Officer:</i> Praful Dwivedi (GCC-Refer note (ii) below)	<i>Directors:</i> Mukesh Luthra Sandeep Ahuja Ashutosh Bhardwaj <i>Chief Executive Officer:</i> Praful Dwivedi (GCC-Refer note (ii) below)	<i>Directors:</i> Mukesh Luthra Sandeep Ahuja Ashutosh Bhardwaj <i>Chief Executive Officer:</i> Praful Dwivedi (GCC-Refer note (ii) below)	<i>Directors:</i> Mukesh Luthra Sandeep Ahuja Pallavi Luthra Puri (Upto April 30, 2010) Ashutosh Bhardwaj <i>Chief Executive Officer:</i> Praful Dwivedi (GCC-Refer note (ii) below)
Company in which KMP / Relatives of KMP can exercise significant influence	Natraj Woollen & Finishing Mills Pvt Ltd (upto December 8, 2014)	Natraj Woollen & Finishing Mills Pvt Ltd	Natraj Woollen & Finishing Mills Pvt Ltd	Natraj Woollen & Finishing Mills Pvt Ltd	Natraj Woollen & Finishing Mills Pvt Ltd
Relative of KMP	Vandana Luthra	Vandana Luthra	Vandana Luthra	Vandana Luthra	Vandana Luthra

Note:

- (i) Related parties have been identified by the Management.
- (ii) Gulf Cooperation Council (GCC) countries refer to Kuwait, Oman, United Arab Emirates, Qatar, Bahrain and Saudi Arabia.

CONSOLIDATED RESTATED SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (Contd.)

(b) Details of related party transactions during the year ended and outstanding balance as at year end:

(₹ in million)

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
A. Revenue					
<i>Jointly controlled entity</i>					
Sale of service					
- Yap Yoga Private Limited	-	0.55	-	-	-
B. Expenses					
<i>Company in which KMP / Relatives of KMP can exercise significant influence</i>					
Rent					
- Nataraj Woollen & Furnishing Mills Pvt Ltd	8.26	12.00	12.00	12.00	12.00
<i>Relatives of Key management personnel</i>					
Professional Fees					
- Vandana Luthra	20.25	9.00	9.00	9.00	9.00
<i>Jointly Controlled Entity</i>					
Royalty					
- Yap Yoga Pvt Ltd	7.47	-	-	-	-
<i>Key management personnel</i>					
Managerial Remuneration					
- Sandeep Ahuja	7.86	7.29	6.83	6.22	5.74
- Ashutosh Bhardwaj	9.75	7.79	7.79	7.14	7.53
- Mukesh Luthra	18.35	17.12	15.76	14.31	5.60
- Praful Dwivedi	14.00	12.13	11.17	9.20	6.00
- Narinder Kumar	5.01	-	-	-	-
- V.Rajalakshmi	3.28	-	-	-	-
Balance outstanding at the end of the year					
<u>Long-term loans and advances</u>					
Jointly controlled entity	-	1.35	-	-	-
<u>Key management personnel</u>					
- Ashutosh Bhardwaj	-	1.50	-	-	-
<u>Trade payables</u>					
<i>Relatives of Key management personnel</i>					
- Vandana Luthra	2.04	0.68	0.76	0.74	0.68
<i>Key management personnel</i>					
- Ashutosh Bhardwaj	0.57	0.53	0.08	0.03	-
- V.Rajalakshmi	0.24	-	-	-	-
<u>Other current liabilities</u>					
Jointly controlled entity	-	0.67	-	-	-

ANNEXURE XXI

CONSOLIDATED RESTATED SUMMARY STATEMENT OF CAPITALISATION

(₹ in million)

Particulars	Pre Issue as at March 31, 2015	As at March 31, 2014	Post Issue
Short term debt	132.10	147.51	(Note (i) below)
Long term debt (including current maturities of long term debt) (A)	1,394.44	1,414.33	(Note (i) below)
Total Debt	1,526.54	1,561.84	
Shareholders' funds			
Share capital	376.12	376.12	(Note (i) below)
Reserves as restated (excluding revaluation reserve)	2,147.19	1,935.81	(Note (i) below)
Total Shareholders' funds (B)	2,523.31	2,311.93	
Long Term Debt/Total Shareholders' funds (A/B)	0.55	0.61	
Long Term Debt/Total Shareholders' funds(Ratio)	55%	61%	

Notes:-

(i) Post issue capitalisation will be determined after finalisation of issue price. The issue price and the number of shares will be finalised later and as such the post issue capitalization statement cannot be presented.

(ii) The above has been computed on the basis of consolidated restated summary statements - Annexure I.

ANNEXURE XXII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF SEGMENT REPORTING

The Group is currently engaged in three business segments i.e., Beauty & slimming services, Educational vocational training and Manufacturing and sale of products.

(₹ in million)

Reportable Segments	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total as at and for the year ended March 31, 2015	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total as at and for the year ended March 31, 2014	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total as at and for the year ended March 31, 2013
Revenue															
Sales	5,223.52	373.09	2,513.74	-	8,110.35	4,914.50	297.76	1,877.38	-	7,089.64	4,224.98	268.95	1,500.35	-	5,994.28
Other Income	-	-	-	-	53.09	-	-	-	-	39.38	-	-	-	-	46.18
Total Revenue	5,223.52	373.09	2,513.74	-	8,163.44	4,914.50	297.76	1,877.38	-	7,129.02	4,224.98	268.95	1,500.35	-	6,040.46
Result															
Segment Result	374.91	9.95	390.40	(1.19)	774.07	517.17	26.73	252.49	(0.01)	796.38	661.40	11.43	175.73	(0.02)	848.54
Unallocated Corporate Expenses	-	-	-	-	340.73	-	-	-	-	307.07	-	-	-	-	325.96
Operating Profit/(Loss)					433.34					489.31					522.58
Interest & Finance charges	-	-	-	-	(196.94)	-	-	-	-	(199.37)	-	-	-	-	(181.00)
Other Income	-	-	-	-	53.06	-	-	-	-	39.38	-	-	-	-	46.18
Prior Period Tax Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.94)
Minimum Alternative Tax	-	-	-	-	(12.00)	-	-	-	-	54.89	-	-	-	-	47.15
Provision for Taxation	-	-	-	-	(75.48)	-	-	-	-	(93.14)	-	-	-	-	(70.33)
Minority interest	-	-	-	-	3.32	-	-	-	-	(2.35)	-	-	-	-	(0.16)
Net Profit After Tax					205.30					288.72					355.48
Other Information															
Segment Assets	3,319.65	171.91	1,749.45	37.99	5,279.00	3,566.50	155.63	1,290.01	0.21	5,012.35	3,142.10	176.41	849.04	0.21	4,167.76
Unallocated Assets	-	-	-	-	461.84	-	-	-	-	388.18	-	-	-	-	333.50
Total Assets					5,740.84					5,400.52					4,501.26
Segment Liabilities	915.83	89.29	411.81	2.50	1,419.43	850.20	78.45	573.57	0.02	1,502.24	829.61	57.07	199.43	0.01	1,086.12
Unallocated Liabilities	-	-	-	-	1,798.10	-	-	-	-	1,586.34	-	-	-	-	1,478.76
Total Liabilities					3,217.53					3,088.59					2,564.88
Capital Expenditure (including capital advances and capital work in progress)	-	-	-	-	542.58	-	-	-	-	861.33	-	-	-	-	713.23
Depreciation and Impairment															
On Fixed Assets	-	-	-	-	630.50	-	-	-	-	568.65	-	-	-	-	437.96
Other Non-cash Adjustments															
Provision for staff benefits	-	-	-	-	16.20	-	-	-	-	14.03	-	-	-	-	8.17
Provision for doubtful advances	-	-	-	-	1.64	-	-	-	-	0.23	-	-	-	-	0.22
Provision for doubtful debts	-	-	-	-	19.57	-	-	-	-	13.21	-	-	-	-	10.48

CONSOLIDATED RESTATED SUMMARY STATEMENT OF SEGMENT REPORTING (Contd.)

The Group is currently engaged in three business segments i.e., Beauty & slimming services, Educational vocational training and Manufacturing and sale of products.

(₹ in million)

Reportable Segments	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total as at and for the year ended March 31,2012	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total as at and for the year ended March 31,2011
Revenue										
Sales	3,439.71	205.83	1,115.75	-	4,761.29	2,900.72	183.51	689.53	-	3,773.76
Other Income	-	-	-	-	25.71	-	-	-	-	29.97
Total Revenue	3,439.71	205.83	1,115.75	-	4,787.00	2,900.72	183.51	689.53	-	3,803.73
Result										
Segment Result	490.14	9.71	153.92	(0.02)	653.75	280.50	11.01	110.76	(0.02)	402.26
Unallocated Corporate Expenses	-	-	-	-	196.06	-	-	-	-	123.41
Operating Profit/(Loss)					457.69					278.84
Interest & Finance charges	-	-	-	-	(181.98)	-	-	-	-	(100.23)
Other Income	-	-	-	-	25.73	-	-	-	-	29.99
Prior Period Tax Adjustments	-	-	-	-	-	-	-	-	-	0.51
Extraordinary Items	-	-	-	-	(6.89)	-	-	-	-	-
Minimum Alternative Tax	-	-	-	-	36.26	-	-	-	-	27.20
Provision for Taxation	-	-	-	-	(76.48)	-	-	-	-	(62.44)
Minority interest	-	-	-	-	-	-	-	-	-	-
Net Profit After Tax					254.33					173.88
Other Information										
Segment Assets	2,562.25	109.25	631.52	0.23	3,303.26	2,174.06	119.21	562.22	0.24	2,855.73
Unallocated Assets	-	-	-	-	311.73	-	-	-	-	347.57
Total Assets					3,614.99					3,203.30
Segment Liabilities	416.07	46.00	175.20	0.01	637.28	306.82	38.69	107.29	0.01	452.81
Unallocated Liabilities	-	-	-	-	1,447.74	-	-	-	-	1,561.52
Total Liabilities					2,085.02					2,014.33
Capital Expenditure (including capital advances and capital work in progress)	-	-	-	-	479.77	-	-	-	-	684.45
Depreciation and Impairment										
On Fixed Assets	-	-	-	-	355.34	-	-	-	-	270.32
Other Non-cash Adjustments	-	-	-	-		-	-	-	-	
Provision for staff benefits	-	-	-	-	6.98	-	-	-	-	15.37
Provision for doubtful advances	-	-	-	-	0.85	-	-	-	-	0.28
Provision for doubtful debts	-	-	-	-	3.53	-	-	-	-	2.19

ANNEXURE XXIII

CONSOLIDATED RESTATED SUMMARY STATEMENT OF EMPLOYEE STOCK OPTION SCHEME

Employee Stock Option Scheme (ESOP)

Pursuant to a general meeting held on June 26, 2007, the shareholders of the company through a special resolution approved an employee stock option plan called "ESOP 2007" (by allocating 2.5% of the paid up equity share capital as on the date of plan) which provides for grant of stock options to eligible employees of the Company and its' subsidiaries to acquire equity shares of the Company. The ESOP committee decides on the employees and the size of the stock option to be granted to each employee. These stock options are to be converted into one equity share at a price determined at the time of the grant. The options granted vest in a graded manner and are to be exercised within a period of 6 years (increased from 4 years on February 20, 2014) from the date of vesting.

Further, for the purposes of managing the above ESOP plan, the Company has formed VLCC Employee Welfare Trust ("the Trust") which will hold the equity shares on behalf of employees till the granted stock options are vested and exercised in accordance with the plan.

Under the approved plan, the Company has issued 941,706 equity shares in tranches through initial issue, rights issue and bonus issue to the Trust. In order to enable the Trust to subscribe to the above equity shares of the Company on behalf of employees, the Company has given advances amounting to ₹ 5.81 million as at March 31, 2015 to the Trust.

As on March 31, 2015, an advance of ₹ 5.81 million paid to the Trust has been adjusted from securities premium of ₹ 5.25 million and ₹ 0.56 million from the face value of equity shares issued, subscribed and paid up in accordance with the guidance note issued by the Institute of Chartered Accountants of India.

The exercise price is equal to or higher than the fair value of the equity on the date of each grant, no compensation cost has been recognised in the books of account.

Employee stock options details as at March 31, 2015 date are as follows:

Nature	Date of grant	Number	Contractual life	Basis of valuation
Fresh Grant	12-Jul-07	14,400	6 Years	Refer note (iv) below
Fresh Grant	22-Aug-08	1,000	6 Years	Refer note (iv) below
Additional option	1-Apr-09	1,500	6 Years	Refer note (i) below
Additional option	12-Aug-09	2,750	6 Years	Refer note (i) below
Additional option	8-Mar-11	4,321	6 Years	Refer note (i) below
Fresh Grant	12-Jul-12	4,750	6 Years	Black Scholes
Additional option	27-Sep-13	450,559	6 Years	Refer note (ii) below
Fresh Grant	12-Jul-14	140,769	6 Years	Black Scholes
Fresh Grant	4-Feb-15	10,000	6 Years	Black Scholes
TOTAL		630,049		

Notes:

- These are right shares issued to the Trust and consequently the Company has granted additional stock options to the options outstanding as on the date of such rights issue. These options have not lapsed as of March 31, 2015.
- As on September 27, 2013 the Company has issued fully paid up bonus shares in ratio of 15.96 shares for every one share held, to the existing shareholders by way of capitalization of securities premium account. Consequent upon issue and allotment of said bonus shares, the Trust received 885275 bonus shares. The Company has granted additional stock options in the ratio of 15.96 options for every one option outstanding as on the date of such bonus issue. The additional option granted on the date of bonus issue was 489,559 out of which 39,000 have lapsed till March 31, 2015 due to resignation of employees.
- These stock options have been granted to senior management as well as general employee with a condition of one year of continuous employment.
- Fair value of equity as an average of Net Asset Value method and Profit Earning Capacity Value method.
- Following table mentions the vesting schedule:

Vesting category	Date of vesting	Number of ESOPs vested
Grant date prior to April 1, 2008.	On April 1, 2010	75% of the total options granted
	On April 1, 2011	25% of the total options granted
Grant date on or after April 1, 2008 till March 31, 2009.	On April 1, 2010	One third of the total options granted
	On April 1, 2011	One third of the total options granted
	On April 1, 2012	One third of the total options granted
Grant date on or after April 1, 2009 till March 31, 2014.	One year from the date of grant	One third of the total options granted
	Two years from the date of grant	One third of the total options granted
	Three years from the date of grant	One third of the total options granted
Grant date on or after April 1, 2014.	One year from the grant date or on IPO of the Company whichever is later ("First vesting date")	One third of the total options granted
	One year from the first vesting date	One third of the total options granted
	Two years from the first vesting date	One third of the total options granted

(vi) Information concerning the stock options granted and outstanding at the year end is as follows:

Particulars	During the year ended March 31, 2015		During the year ended March 31, 2014		During the year ended March 31, 2013		During the year ended March 31, 2012		During the year ended March 31, 2011	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	508,363	6	32,957	114	35,957	124	26,950	64	23,139	70
Granted during the year	176,769	58	517,008	-	-	-	10,000	277	4,858	64
Vested during the year	21,197	238	519,341	1.45	3,722	285	6,004	66	16,086	61
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Lapsed/Forfeited during the year	55,083	31	41,602	14	3,000	238	993	58	1,047	180
Options outstanding at the end of the year:	630,049	18	508,363	6	32,957	114	35,957	124	26,950	64
Exercisable at end of the year										
Options available for grant:	311,657		433,343		23,475		20,475		29,482	

INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL STATEMENTS AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

The Board of Directors of VLCC Health Care Limited
64, HSIDC,
Sector 18,
Maruti Industrial Area,
Gurgaon – 122015

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of VLCC Healthcare Limited ('the Company'), which comprises of the Restated Standalone Balance Sheet as at March 31, 2015, 2014, 2013, 2012 and 2011, the Restated Standalone Statement of Profit and Loss and the Restated Standalone Cash Flow Statement for the years then ended (collectively, the "Restated Standalone Financial Information") as approved by the Board of Directors of the Company at their meeting held on September 8, 2015 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) prepared in terms of the requirements of
 - a) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") and
 - b) the Securities And Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations").
2. We have examined such Restated Standalone Financial Information taking into consideration
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 13, 2015 in connection with the proposed IPO of the Company; and
 - b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.
3. These Restated Standalone Financial Information have been extracted by the Management from the audited Standalone Financial Statements of the Company as at and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by Board of directors at their meetings held on August 12, 2015, July 31, 2014, July 12, 2013, July 6, 2012 and August 30, 2011 respectively and have been audited by us.
4. Based on our examination, we further report that:
 - a) The Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2015, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure-I to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure V: Restated Summary Statement of Standalone Adjustments to Audited Financial Statements.

- b) The Restated Summary Statement of Profit and Loss of the Company for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure-II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure-V: Restated Summary Statement of Standalone Adjustments to Audited Financial Statements.
- c) The Restated Summary Statement of Cash Flows of the Company for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure-III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure-V: Restated Summary Statement of Standalone Adjustments to Audited Financial Statements.
- d) The Summary of Significant Accounting Policies and Notes to Accounts of the Company for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-IV to this report, have been arrived at after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure-V: Restated Summary Statement of Standalone Adjustments to Audited Financial Statements.
- e) Based on the above, according to the information and explanations given to us, we are of opinion that the Restated Standalone Financial Information have been made after incorporating:
 - (i) Adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - (ii) Adjustments for the material amounts in the respective financial years to which they relate.

Further, there are no extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.

There were no qualifications in the Auditors' reports which would require an adjustment in the Restated Financial Information.

5. We have also examined the following Restated Standalone Financial Information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on September 8, 2015 for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.
 - (i) Annexure VI – Restated Summary Statement of Share Capital
 - (ii) Annexure VII - Restated Summary Statement of Reserves And Surplus
 - (iii) Annexure VIII - Restated Summary Statement of Long-Term and Short-Term Borrowings
 - (iv) Annexure IX – Restated Summary Statement of Other Long Term Liabilities, Current Liabilities and Provisions
 - (v) Annexure X - Restated Summary Statement of Non-Current Investments
 - (vi) Annexure XI - Restated Summary Statement of Fixed Assets
 - (vii) Annexure XII - Restated Summary Statement of Loans and Advances
 - (viii) Annexure XIII- Restated Summary Statement of Inventory
 - (ix) Annexure XIV – Restated Summary Statement of Trade Receivables
 - (x) Annexure XV– Restated Summary Statement of Cash and Cash Equivalents
 - (xi) Annexure XVI- Restated Summary Statement of Operational Income & Expense
 - (xii) Annexure XVII - Restated Summary Statement of Other Income
 - (xiii) Annexure XVIII - Restated Summary Statement of Dividend Paid

- (xiv) Annexure XIX - Restated Summary Statement of Accounting Ratios
- (xv) Annexure XX - Restated Summary Statement of Related Party Transactions
- (xvi) Annexure XXI - Restated Summary Statement of Capitalization
- (xvii) Annexure XXII - Restated Summary Statement of Tax Shelters
- (xviii) Annexure XXIII – Restated Summary Statement of Deferred Tax Assets
- (xix) Annexure XXIV - Summary Statement of Employee Stock Option Scheme
- (xx) Annexure XXV – Restated Summary Statement of Segment Reporting

In our opinion, the above financial information contained in Annexures I to XXV accompanying this report read along with the Significant Accounting Policies as set out in Annexure-IVA are prepared after making adjustments and regroupings as considered appropriate [Refer Annexure-V] and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable; SEBI Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein. The figures included in the Restated Standalone Financial Information, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 3 above.
7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
8. Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Deepak Roy
Partner
(Membership No.053091)

Place: Gurgaon
Date: September 8, 2015

ANNEXURE I

RESTATED SUMMARY STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(₹ in million)

Particulars	Annexures	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES						
1 Shareholders' funds						
(a) Share capital	VI	376.12	376.12	22.01	22.01	22.01
(b) Reserves and surplus	VII	863.92	868.92	1,175.73	1,101.13	1,017.12
Sub total		1,240.04	1,245.04	1,197.74	1,123.14	1,039.13
2 Non-current liabilities						
(a) Long-term borrowings	VIII	346.09	376.83	439.90	560.21	657.17
(b) Other long-term liabilities	IX	10.65	6.24	4.85	1.82	6.97
(c) Long-term provisions	IX	9.53	7.06	6.19	5.06	5.99
Sub total		366.27	390.13	450.94	567.09	670.13
3 Current liabilities						
(a) Short-term borrowings	VIII	-	15.00	-	-	-
(b) Trade payables	IX	408.97	377.85	287.40	240.00	277.83
(c) Other current liabilities	IX	571.78	553.50	533.11	474.97	443.95
(d) Short-term provisions	IX	14.60	20.10	12.32	26.22	29.61
Sub total		995.35	966.45	832.83	741.19	751.39
TOTAL		2,601.66	2,601.62	2,481.51	2,431.42	2,460.65
ASSETS						
1 Non-current assets						
(a) Fixed assets						
(i) Tangible assets	X	941.69	1,017.51	1,040.67	1,072.74	1,091.68
(ii) Intangible assets	X	11.65	12.39	12.88	16.01	7.37
(iii) Capital work in progress		6.55	22.67	17.84	-	21.55
(iv) Intangible assets under development		-	2.59	2.59	2.59	6.03
(b) Non-current investments	XI	909.62	895.88	817.58	808.05	808.05
(c) Deferred tax assets (net)	XXIII	120.85	70.75	46.22	28.34	13.69
(d) Long-term loans and advances	XIIA	176.43	184.99	174.17	168.26	173.96
(e) Other non-current assets	XIIB	6.87	2.43	1.40	1.65	0.85
Sub total		2,173.66	2,209.21	2,113.35	2,097.64	2,123.18
2 Current assets						
(a) Inventories	XIII	150.92	126.48	108.29	87.10	99.66
(b) Trade receivables	XIV	62.01	34.80	37.33	8.67	9.85
(c) Cash and cash equivalents	XV	171.81	192.18	186.14	193.35	178.37
(d) Short-term loans and advances	XIIC	31.23	34.07	34.64	37.78	45.28
(e) Other current assets	XIID	12.03	4.88	1.76	6.88	4.31
Sub total		428.00	392.41	368.16	333.78	337.47
TOTAL		2,601.66	2,601.62	2,481.51	2,431.42	2,460.65

The above statement should be read with the Significant Accounting Policies appearing in Annexure IVA, Notes to Financial Information appearing in Annexure IVB and Statement of Adjustments to Financial Statements appearing in Annexure V.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Deepak Roy
Partner
(Membership No. 053091)

Place : Gurgaon
Date : September 8, 2015

ANNEXURE II

RESTATED SUMMARY STATEMENT OF STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	Annexures	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
1 Revenue						
(a) Revenue from operations (gross)	XVI	3,183.30	2,964.01	2,842.25	2,582.26	2,337.07
(b) Other income	XVII	33.28	22.54	44.43	26.03	41.48
Total revenue as restated		3,216.58	2,986.55	2,886.68	2,608.29	2,378.55
2 Expenses						
(a) Cost of material consumed	XVI	241.85	211.40	222.31	196.64	163.88
(b) Purchases of stock-in-trade	XVI	141.64	120.17	109.14	83.32	80.18
(c) Changes in inventories of stock-in-trade and finished goods	XVI	(6.48)	(12.13)	(8.64)	(1.27)	(3.42)
(d) Employee benefits expense	XVI	781.82	707.14	686.45	587.09	586.97
(e) Finance costs	XVI	95.18	102.19	107.93	126.47	64.27
(f) Depreciation and amortisation expense	XVI	226.72	220.91	208.14	185.04	159.45
(g) Other expenses	XVI	1,690.79	1,566.25	1,461.72	1,305.94	1,199.17
Total expenses as restated		3,171.52	2,915.93	2,787.05	2,483.23	2,250.50
3 Profit before tax as restated (1-2)		45.06	70.62	99.63	125.06	128.05
4 Tax expense:						
(a) Current tax expense for the year		39.70	47.70	42.90	55.70	48.00
(b) Income tax expense for prior years		0.09	0.16	-	-	(0.13)
(c) Deferred tax credit	XXIII	(29.58)	(24.54)	(17.87)	(14.65)	(12.04)
Total tax expenses as restated		10.21	23.32	25.03	41.05	35.83
5 Profit after tax as restated (3-4)		34.85	47.30	74.60	84.01	92.22
6 Earnings per share (of ₹ 10 each):						
Basic / Diluted (₹ per share)	XIX	0.94	1.27	2.01	2.26	2.49

The above statement should be read with the Significant Accounting Policies appearing in Annexure IVA, Notes to Financial Information appearing in Annexure IVB and Statement of Adjustments to Financial Statements appearing in Annexure V.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Deepak Roy
Partner
(Membership No. 053091)

Place : Gurgaon
Date : September 8, 2015

ANNEXURE III

RESTATED SUMMARY STATEMENT OF STANDALONE CASH FLOWS

Cash Flows of the Company for each year, read with significant accounting policies, after making adjustments as stated in the notes to accounts, are set out below

	(₹ in million)				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
A. Cash flow from operating activities					
Net profit before tax as restated	45.06	70.62	99.63	125.06	128.05
<u>Adjustments for:</u>					
Depreciation and amortisation	226.72	220.91	208.14	185.04	159.45
(Profit) / loss on sale of assets	11.75	2.11	(26.79)	5.32	3.91
Adjustments to the carrying amount of investments	-	-	-	-	0.50
Provision for doubtful trade receivables	4.97	-	-	-	-
Provision for doubtful assets	0.61	-	-	-	-
Provision for impairment of investment	0.75	-	-	-	-
Provision for impairment of tangible fixed assets	-	-	-	8.90	2.92
Fixed assets damaged due to fire	-	1.99	-	-	-
Net (gain) / loss on sale on investments (net)	-	-	(0.27)	(0.45)	(0.05)
Finance costs	61.96	76.61	85.20	105.92	49.86
Dividend income	(1.23)	-	-	-	(15.05)
Interest income	(0.84)	(3.24)	(0.47)	(0.45)	(0.42)
Net unrealised exchange (gain) / loss	(0.29)	(0.39)	(0.59)	(1.32)	0.35
Operating profit before working capital changes	349.46	368.61	364.85	428.02	329.52
<u>Changes in working capital:</u>					
Adjusted for (increase) / decrease in operating assets					
Inventories	(24.45)	(18.19)	(21.19)	12.57	(45.17)
Trade receivable	(32.17)	2.51	(28.65)	1.59	1.94
Short term loans and advances	2.84	0.57	3.66	8.47	(7.23)
Long term loans and advances	2.96	(5.73)	(11.10)	(3.48)	(3.10)
Other current assets	(7.76)	(3.12)	5.12	(1.69)	(4.15)
Other non-current assets	-	-	-	(0.78)	(0.05)
Adjusted for increase/ (decrease) in operating liabilities					
Trade payables	31.35	90.39	47.43	(36.96)	58.20
Other current liabilities	60.08	0.94	70.20	26.30	12.02
Short-term provisions	(0.01)	-	0.12	(0.02)	0.33
Other long-term liabilities	4.40	1.39	2.91	(5.15)	0.27
Long-term provisions	2.47	0.86	1.14	(0.93)	1.78
Cash generated from operations	389.17	438.23	434.49	427.94	344.36
Net income tax paid	(45.28)	(40.07)	(56.92)	(54.05)	(42.88)
Net cash flow from operating activities (A)	343.89	398.16	377.57	373.89	301.48
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(202.02)	(212.15)	(216.98)	(156.75)	(341.14)
Proceeds from sale of fixed assets	4.05	1.16	58.17	0.91	3.01
Purchase of Current Investments	-	-	(20.00)	(280.00)	(25.05)
Purchase of Non-Current Investments	(14.49)	(78.30)	(9.53)	-	(109.75)
Proceeds from sale of Current Investments	-	-	20.27	280.45	30.13
Interest received	0.85	3.22	0.47	0.59	0.43
Dividend Income from Mutual Funds	1.23	-	-	-	0.05
Dividend Income from Subsidiary	-	-	-	-	42.35
Bank balance not considered as cash and cash equivalents	(4.45)	(1.01)	0.25	-	-
Net cash flow (used in) investing activities (B)	(214.83)	(287.08)	(167.35)	(154.80)	(399.97)
C. Cash flow from financing activities					
Proceeds from issue of equity shares	-	-	-	-	0.66
Redemption of preference shares	-	-	-	-	(354.11)
Movement of borrowings	(86.06)	(28.23)	(131.45)	(93.48)	543.58
Interest paid	(63.38)	(76.86)	(85.98)	(105.63)	(43.93)
Dividend Paid (including dividend tax)	-	-	-	(5.02)	(29.03)
Net cash flow (used in) / from financing activities (C)	(149.44)	(105.09)	(217.43)	(204.13)	117.17
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	(20.38)	5.99	(7.21)	14.96	18.68
Cash and cash equivalents at the beginning of the year	192.18	186.14	193.35	178.37	159.67
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.01	0.05	-	0.02	0.02
Cash and cash equivalents at the end of the year *	171.81	192.18	186.14	193.35	178.37

	(₹ in million)				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
* Comprises:					
(a) Cash on hand	46.09	52.67	46.77	31.34	22.43
(b) Cheques in hand	19.60	17.69	9.79	12.28	10.00
(c) Balances with banks					
(i) In current accounts	74.63	96.18	88.07	121.61	124.73
(ii) In fixed deposit accounts	-	0.22	-	-	4.31
(iii) In earmarked accounts	-	-	-	-	-
(d) Credit Card Receivables	31.49	25.39	41.48	28.12	16.90
(e) Others - Gold coin (Nos: 1)	-	0.03	0.03	-	-
Cash and cash equivalents at the end of the year	171.81	192.18	186.14	193.35	178.37

Notes:

- (i) The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standards (AS)- 3 on Cash Flow Statements under the the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013 , read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India .
- (ii) The above statement should be read with the Significant Accounting Policies appearing in Annexure IVA; Notes to Financial Information; appearing in Annexure IVB; and Statement of Adjustments to Financial Statements appearing in Annexure V.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Deepak Roy
Partner
(Membership No. 053091)

Place : Gurgaon
Date : September 8, 2015

ANNEXURE IV A

Significant accounting policies consistently adopted for all the years presented in the restated summary statement made, are set out below.

1 Corporate Information

VLCC Health Care Limited ('the Company') was incorporated in India on October 23, 1996 to carry on the business of maintaining and running beauty, slimming, fitness and health centres at various locations, sale of beauty products and also provide vocational training at various institutes.

2 Summary of significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent in all the years.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during each of the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialise.

2.3 Inventories

Inventories are valued at lower of cost (on FIFO basis) and net realisable value. Cost includes all expenses incurred in bringing the goods to their present location including octroi and other levies, transit insurance and receiving charges.

2.4 Cash and cash equivalents (for the purpose of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Upto March 31, 2014, depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under: Effective from 1 April, 2014, the Company has been charged depreciation on the Straight line method based on the revised remaining useful life of assets as per the requirements of Schedule II of the Companies Act, 2013.

- Leasehold improvements are amortized over the period of lease, including the optional period of lease.
- All assets costing ₹ 5,000 or below are depreciated in full on pro-rata basis from the date of their acquisition.

Intangible assets are amortised over their estimated useful life as follows:

Goodwill - 10 years

Computer software- 6 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction, discardment as the case may be.

2.7 Revenue recognition

Income from services

Revenue from fees received from clients towards beauty and slimming packages are recognised on a pro-rata basis over the period of the package after attributing revenue to services rendered on enrolment. Fees related to unexecuted period of the packages are recorded as 'Advances from customers' as per the terms of specific contracts.

Revenue from regular beauty sales are recognised as and when services are provided to the customers.

Revenue in respect of tuition fees received from students is recognised over the period of the course after attributing revenue to services rendered on enrolment. Fees are recorded at invoice value, net of discounts if any.

Revenue in respect of non-refundable lump sum fees received from the franchisee's is recognised on execution of the agreement. Revenue in respect of non-refundable lump sum fees received from the collaborators is recognised over a period of five years.

Revenue in respect of royalty received from the franchisee's is recognised on accrual basis at the end of each month in terms of the agreement.

Sale of goods

Revenue from sale of goods at each of the centres is recognised on delivery of goods to the customers. Sales are recorded at invoice value, net of discount if any.

Revenue from sale of goods to overseas customers is recognised on the goods being shipped on board.

2.8 Other income

Income from interest on time deposits is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

Dividend income from investment is accounted for when the right to receive it is established.

2.9 Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work in progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.1 Foreign currency transactions and translations

Initial recognition

Transactions denominated in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary items denominated in foreign currencies (other than derivative contracts) at the year-end are restated at the exchange rates prevailing on the date of the balance sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets.

2.1 Share of Surplus of Collaborators

Surplus payable to the collaborators in respect of jointly managed centres is accrued either as a percentage of gross margin or fees received as specified in the agreement.

2.1 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include, acquisition charges such as brokerage, fees and duties.

2.1 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plans

In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate. Company's contribution to Provident Fund is charged as an expense in the Statement of Profit and Loss

Long-term employee benefits

Compensated absences payable to employees of the Company while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the respective balance sheet date.

Defined benefit plans

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the respective balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The company contributes all the ascertained liabilities to a fund set up by the Company and administered by a board of trustees. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets.

2.2 Employee share based payments

The Company has formulated employee Stock Option Plan as approved & modified by Compensation Committee / Board of Directors of the Company from time to time. The Plan provides for grant of Stock Options to eligible employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The options are to be converted into one share at a predetermined price to be exercised in accordance with the plan. The exercise price of the options shall be fair market value on the date of grant per option. Under the approved plan, the Company has issued shares to the VLCC Employee Welfare Trust at fair market value determined on the date of issue which is holding the shares on behalf of the employees.

2.2 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. In accordance with an opinion received from the expert advisory committee of the Institute of Chartered Accountants of India, the Company has during the year capitalized borrowing costs in respect of construction of qualifying assets completed within a period of five to seven months.

2.2 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis are included under 'unallocated revenue / expenses / assets / liabilities'.

2.18 Leases

Lease rentals in respect of assets that are in the nature of operating leases are expensed in the Statement of Profit and Loss with reference to lease terms.

2.2 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the respective year as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.20 Taxes on income

Income taxes consist of current taxes and changes in deferred tax liabilities and assets.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements. Timing differences between the taxable income and the accounting income as at balance sheet date that reverse in one or more subsequent years are recognised if they result in taxable amounts. Deferred tax assets or liabilities are established at the enacted tax rates. Changes in the enacted rates are recognised in the period of enactment.

Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

2.2 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss for year, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.2 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and the related income are recognized in the year in which the change occurs.

2.23 Insurance claim

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.2 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

2.3 Material Events

Material events occurring after each of the Balance Sheet date in relation to conditions existing as at each of the Balance Sheet date is taken into cognisance.

2.3 Classification of current / non-current liabilities and assets

Liability

A liability has been classified as 'current' when it satisfies any of following criteria:

- a) It is expected to be settled in the company's normal operating cycle;
 - b) It is held primarily for the purpose of being traded;
 - c) It is due to be settled within twelve months after reporting date; or
 - d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instrument do not affect its classification.

All other liabilities are classified as non-current.

Asset

An asset has been classified as 'current' when it satisfies any of following criteria:

- a) It is expected to be realised in, or is intended for sale or consumption in the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within twelve months after reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

2.3 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

ANNEXURE IV B

Notes to Accounts (As restated, as applicable, and include notes specific to the Restated Summary Statements, set out below)

1 Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Claims against the Company not acknowledged as debts	5.81	5.81	5.81	-	-
Guarantees [Refer Note (a) below] (Refer Annexure XX)	985.97	924.65	579.41	736.71	770.16
Other Money for which the Company is contingently liable					
- VAT	8.72	0.02	0.02	0.02	0.02
- Income Tax	38.65	38.65	28.33	18.61	2.70
- Luxury Tax	7.21	1.81	-	-	-
- Service Tax	0.17	0.17	-	-	-
Total	1,046.53	971.11	613.57	755.34	772.88

Note :

(₹ in million)

(a) Corporate guarantee given to	In respect of Credit Facilities granted to wholly owned	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Indian Overseas Bank	VLCC Personal Care Limited	-	-	50.00	50.00	50.00
Yes Bank	VLCC Personal Care Limited	-	-	-	250.00	150.00
Mashreq Bank, Dubai	VLCC International LLC	102.09	48.94	44.34	41.56	182.14
HDFC Bank	VLCC International LLC (Bahrain) WLL	-	37.50	37.50	37.50	37.50
Axis Bank	VLCC International LLC	116.25	197.72	257.31	357.65	350.52
Axis Bank	VLCC International Qatar Company WLL	83.13	110.24	108.57	-	-
Axis Bank	VLCC International Inc.	187.50	-	-	-	-
ICICI Bank	VLCC Singapore Pte Ltd	220.19	230.39	-	-	-
HDFC Bank (SBLC)	VLCC International Inc.	276.81	299.86	81.69	-	-
Total		985.97	924.65	579.41	736.71	770.16

(ii) Commitments

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for:					
- Tangible Assets	6.00	11.73	6.42	4.69	4.79
- Intangible Assets	-	-	0.20	-	-

2 Transfer Pricing

The Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under 92-92F of the Income Tax Act, 1961 and has documented Transfer Pricing Benchmarking study for all the financial years. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements.

3 Employee benefit plans

(i) Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company recognised for Provident Fund contributions in the Statement of Profit and Loss as follows:

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Contribution to Provident Fund	31.27	26.31	26.64	24.68	26.34

(ii) Defined benefit plans

The Company offers the employee benefit scheme of Gratuity to its employees. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The following table sets out the funded status of defined benefit schemes and the amount recognised in the financial statements:

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Components of employer expense					
Current service cost	6.29	4.78	3.95	3.74	6.54
Interest cost	1.76	2.06	1.63	1.95	1.65
Expected return on plan assets	(1.36)	(1.50)	(1.67)	(1.54)	(1.42)
Actuarial losses/(gains)	4.12	0.98	0.62	(4.12)	(2.57)
Total expense recognized in the Statement of Profit and Loss	10.81	6.32	4.53	0.03	4.20
Actual contribution and benefit payments for the year					
Actual benefit payments	(7.29)	(6.86)	(4.33)	(4.80)	(2.78)
Actual contributions	6.32	4.53	0.02	4.20	2.23
Net (liability) recognized in the Balance Sheet					
Present value of defined benefit obligation	28.57	22.36	22.17	19.71	22.92
Less: Fair value of plan assets	17.76	16.04	17.64	19.69	18.72
Net (liability) recognized in the Balance Sheet	(10.81)	(6.32)	(4.53)	(0.02)	(4.20)
Change in defined benefit obligations ("DBO") during the year					
Present value of DBO at beginning of the year	22.36	22.17	19.71	22.92	19.96
Current service cost	6.29	4.78	3.95	3.74	6.54
Interest cost	1.76	2.06	1.63	1.95	1.65
Actuarial losses/(gains)	5.45	0.21	1.21	(4.10)	(2.45)
Benefits paid	(7.29)	(6.86)	(4.33)	(4.80)	(2.78)
Present value of DBO at the end of the year	28.57	22.36	22.17	19.71	22.92
Change in fair value of assets during the year					
Plan assets at beginning of the year	16.04	17.64	19.69	18.72	17.73
Expected return on plan assets	1.36	1.50	1.67	1.54	1.42
Actual company contributions	6.32	4.53	0.02	4.20	2.23
Benefits paid	(7.29)	(6.86)	(4.33)	(4.80)	(2.78)
Actuarial gain / (loss)	1.33	(0.77)	0.59	0.03	0.12
Plan assets at the end of the year	17.76	16.04	17.64	19.69	18.72
Actual return on plan assets	2.69	0.73	2.26	1.57	1.54
Composition of the plan assets is as follows:					
Bond Fund	100%	100%	100%	100%	81%
Dynamic Floor Funds	-	-	-	-	19%
Actuarial assumptions					
Discount rate	7.85%	9.30%	8.25%	8.50%	8.25%
Expected return on plan assets	8.50%	8.50%	8.50%	8.50%	8.25%
Salary escalation	4.50%	5.00%	5.00%	5.00%	5.00%
Mortality tables	IALM (2006-2008)	IALM (2006-08)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Attrition	2.00%	2.00%	2.00%	2.00%	2.00%
Estimate of amount of contribution in the immediate next year	8.22	12.74	9.87	5.24	5.34

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of obligations.

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

The plan assets of the company are managed by Kotak Mahindra Old Mutual Life Insurance Limited in terms of an insurance policy taken to fund obligations of the company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Kotak Mahindra Old Mutual Life Insurance Limited.

Experience Adjustments

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of DBO	28.56	22.36	22.17	19.71	22.92
Fair value of plan assets	17.76	16.04	17.64	19.69	18.72
Experience gain /(loss) adjustments on plan liabilities	(2.33)	(3.99)	(0.70)	3.31	2.45
Experience gain /(loss) adjustments on plan assets	1.33	(0.77)	0.59	0.03	0.12

4 Details of borrowing costs capitalised

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Details of borrowing costs capitalized					
Borrowing costs capitalised during the year					
- as fixed assets / intangible assets / Capital work-in-progress	2.04	4.42	2.51	2.80	10.75

5 Details of leasing arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. Some of the leases are non-cancellable and may be renewed for a further period of six years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 15% every three years. Expected future commitments for non-cancellable leases are as follows:

Future minimum lease payments:

- not later than one year	11.71	9.25	17.23	31.16	48.88
- later than one year and not later than five years	12.69	7.91	7.72	22.40	53.56
Lease payments recognised in the Statement of Profit and Loss (Refer Annexure-XVI)	438.02	441.64	412.96	398.44	343.00

The company has leased a part of its premises to its subsidiary company under a lease agreement that qualifies as an operating lease. Rental income for operating leases for the years are as follows:

- Rental Income	1.80	2.40	2.40	2.40	2.40

6 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily beauty and slimming services and educational vocational training. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical segment has not been provided as the sale of goods outside India are less than 10% of the total sales. Refer Annexure XXV.

7 Restated summary statement of standalone Earnings per share

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	₹	₹	₹	₹	₹
Net profit for the year as restated	34.85	47.30	74.60	84.01	92.22
Earning attributable to equity shareholders (₹)	34.85	47.30	74.60	84.01	92.22
Weighted average number of equity shares – for basic EPS	37,206,180	37,213,009	37,187,764	37,099,709	36,985,456
Weighted average number of equity shares – for diluted EPS	37,206,180	37,213,009	37,187,764	37,099,709	36,985,456
Par value per share	10	10	10	10	10
Earnings per share – Basic	0.94	1.27	2.01	2.26	2.49
Earnings per share – Diluted	0.94	1.27	2.01	2.26	2.49

8 Interests in Joint Venture

The company's interests, as a venturer, in a jointly controlled entity is:

Name	Country of Incorporation	Percentage of ownership interests as at March 31, 2015	Percentage of ownership interests as at March 31, 2014	Percentage of ownership interests as at March 31, 2013	Percentage of ownership interests as at March 31, 2012	Percentage of ownership interests as at March 31, 2011
Yap Yoga Pvt Ltd (Jointly controlled entity till March 29, 2015)	India	0.00%	50.00%	0.00%	0.00%	0.00%

The company's interest in the joint venture is reported at cost in non-current investments in Note XI. However the share of the company in each of the assets, liabilities, income and expenses etc of the joint venture based on the audited financial statements of the jointly controlled entity as at March 31, 2014 is as follows:

Account head	(₹ in million)					
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	
	₹	₹	₹	₹	₹	₹
(a) Assets	-	6.14	-	-	-	-
(b) Liabilities	-	4.19	-	-	-	-
(c) Income *	-	1.16	-	-	-	-
(d) Expenditure	-	1.71	-	-	-	-
(e) Contingent liabilities	-	-	-	-	-	-
(f) Capital Commitments	-	-	-	-	-	-

* Income is net of fees of ₹ 0.55 million paid to the Company, the share of the Company as disclosed above is ₹ 0.27 million.

9 Expenditure incurred on CSR Activities

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, requires that the board of directors of every eligible company, shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure is as follows:

	Year ended March 31, 2015	Year ended March 31, 2014
	(₹ in million)	(₹ in million)
(a) Gross amount required to be spent by the Company during the year	1.71	-
(b) Amount spent during the year on:		
(i) Donation to Amar Jyoti Charitable Trust for education	0.12	-
(ii) Donation to Khushi for Swatantra Shikshaantra	0.45	-
(iii) Donation to Avvai Tamil NGO	0.05	-
(iv) Donation to Action for autism	0.05	-
(v) Contribution for sector skill council (SSC)	0.21	-
(vi) Sponsorship for Pupil for animal (PFA)	0.20	-
(vii) Training expenses at world skill through NSDC	0.89	-
TOTAL	1.98	-

ANNEXURE V

RESTATED SUMMARY STATEMENT OF ADJUSTMENTS TO STANDALONE AUDITED FINANCIAL STATEMENTS

Below mentioned is the summary of results of restatement made in the audited accounts for the respective years and its impact on the profits of the Company:

Particulars	(₹ in million)				
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(A) Net Profit after taxation and before adjustments	27.15	46.00	71.17	80.17	88.61
Adjustment for					
(1) Prior Period Items (Refer note (ii) below)					
- Inventory written off (Refer note (ii) below)	0.41	(0.41)	-	-	-
- Brands written off (Refer note (ii) below)	9.05	4.58	4.58	4.58	4.58
- Cinematograph films written off (Refer note (ii) below)	-	-	0.18	1.11	1.11
- Fixed assets of Mumbai Thane West damaged due to fire (Refer note (ii) below)	1.99	(1.99)	-	-	-
(B) Total Impact before tax adjustment	11.45	2.18	4.76	5.69	5.69
Deferred Tax on adjustments(Refer note (iii) below)	(3.75)	(0.88)	(1.33)	(1.85)	(2.08)
(C) Total tax impact on adjustment	(3.75)	(0.88)	(1.33)	(1.85)	(2.08)
(D) Net impact of adjustment after tax [B+C]	7.70	1.30	3.43	3.84	3.61
(E) Profit/(loss) after tax, as restated [A+D]	34.85	47.30	74.60	84.01	92.22

Note (i)

A positive amount represents increase in the originally reported balance and a negative amount represents decrease in the originally reported balance irrespective of the nature of the item.

Note (ii)

These represent adjustments of material charges or credits which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior periods. These adjustments do not reflect the effect of events that occurred subsequent to the date of respective periods reportings.

Note (iii)

Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the restated profits for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and the balance brought forward in Surplus in Statement of Profit and Loss as at April 1, 2010. The tax rate applicable for the respective years has been used to calculate the deferred tax impact of the adjustments.

Note (iv)

Reconciliation of opening surplus in Statement of Profit and Loss:

Particulars	As at April 1, 2010
	(₹ in million)
Opening balance as on April 1, 2010	182.58
i) Prior period items (Refer above)	(29.76)
ii) Deferred tax impact (Refer above)	9.89
Balance after Reconciliation as on April 1, 2010	162.71

Note (v):- Non adjusting items

In addition to the audit opinion on the financial statements, the auditors are required to comment upon matters included in the Companies (Auditor's Report) Order, 2015/ 2003 [CARO] issued by the Central Government of India under sub section 143(11)/ (4A) of Section 227 of the Companies Act, 2013/ 1956. The qualifications on matters included in CARO which do not require any adjustment in the financial information is reproduced below from the auditor's report on the financial statements for the financial years indicated:

1) Details of dues which has not been deposited on account of disputes are given below :-

(₹ in million)								
Name of the statute	Nature of Due	Period to which the amount relates	Forum where dispute is pending	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Income Tax Act, 1961	Income Tax	2009-10	Commissioner of Income Tax (Appeals)	9.69	12.19	13.19	14.91	-
Income Tax Act, 1961	Income Tax	2010-11	Commissioner of Income Tax (Appeals)	7.72	7.72	9.72	-	-
Income Tax Act, 1961	Income Tax	2011-12	Commissioner of Income Tax (Appeals)	10.67	11.67	-	-	-
Income Tax Act, 1961	Income Tax	2001-02 and 2002-03	Commissioner of Income Tax (Appeals)	0.02	-	0.02	-	-
Madhya Pradesh Vilasita, Manoranjan, Amod Evam Vigyapan Kar Adhiniyam 2011	Luxury Tax	April 1, 2011 to November 17, 2011	High Court of Madhya Pradesh, Gwalior	6.44	-	-	-	-
UP Value Added Tax	Sales Tax	2009-10	Additional Commissioner Appeals	2.04	-	-	-	-
UP Value Added Tax	Sales Tax	2010-11	Additional Commissioner Appeals	3.11	-	-	-	-
Kerala Value Added Tax	Sales Tax	2009-10	Commercial Tax Officer	0.02	0.02	0.02	0.02	0.02
Kerala Value Added Tax	Sales Tax	2009-10	Deputy Commissioner Appeals	0.63	-	-	-	-
Kerala Value Added Tax	Sales Tax	2010-11	Deputy Commissioner Appeals	0.59	-	-	-	-
Kerala Value Added Tax	Sales Tax	2011-12	Deputy Commissioner Appeals	0.50	-	-	-	-
Kerala Value Added Tax	Sales Tax	2012-13	Deputy Commissioner Appeals	0.49	-	-	-	-
Kerala Value Added Tax	Sales Tax	2014-15	Deputy Commissioner Appeals	0.05	-	-	-	-
Finance Act, 1994	Service Tax	2008-09 to 2010-11	Commissioner of Central Excise Appeals	0.12	-	-	-	-
Finance Act, 1994	Service Tax	April 2008 to March 2012	CESTAT, Bangalore	0.17	-	-	-	-

2) During the year 2013-14, funds raised on short term basis aggregating approximately to ₹ 285.57 million have been prima facie used for long term investments.

Note (vi):- Material Regrouping

Appropriate adjustments have been made in restated standalone summary statements of Assets and Liabilities, statement of profit and loss and statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended March 31, 2015, prepared in accordance with Schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

ANNEXURE VI

RESTATED SUMMARY STATEMENT OF STANDALONE SHARE CAPITAL

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Authorised					
Equity shares of ₹ 10 each					
Number of shares	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
₹ in million	400.00	400.00	400.00	400.00	400.00
Total	400	400	400	400	400
(b) Issued, subscribed and paid-up					
Equity shares of ₹ 10 each					
Number of shares	37,668,283	37,668,283	2,257,283	2,257,283	2,257,283
Amount in ₹ million	376.68	376.68	22.57	22.57	22.57
Less: Amount recoverable from ESOP Trust (face value of 56,432 Equity shares of ₹ 10 each allotted to the trust)	(0.56)	(0.56)	(0.56)	(0.56)	(0.56)
Total	376.12	376.12	22.01	22.01	22.01

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million
Equity shares with voting rights										
Balance at the beginning of the year	37,668,283	376.68	2,257,283	22.57	2,257,283	22.57	2,257,283	22.57	1,850,447	18.50
Add: Bonus shares issued during the year	-	-	35,411,000	354.11	-	-	-	-	-	-
Add: Right issue during the year	-	-	-	-	-	-	-	-	65,704	0.66
Add: Shares converted during the year	-	-	-	-	-	-	-	-	341,132	3.41
Balance at the end of the year	37,668,283	376.68	37,668,283	376.68	2,257,283	22.57	2,257,283	22.57	2,257,283	22.57

(ii) Terms and Rights attached to each class of shares:

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion of their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights										
(a) Mr. Mukesh Luthra	9,178,094	24.37%	9,178,094	24.37%	550,000	24.37%	550,000	24.37%	550,000	24.37%
(b) Mrs. Vandana Luthra	16,707,468	44.35%	16,707,468	44.35%	1,001,100	44.35%	1,001,100	44.35%	1,001,100	44.35%
(c) Leon International Limited	5,141,718	13.65%	5,141,718	13.65%	308,119	13.65%	308,119	13.65%	308,119	13.65%
(d) M/s Indivision India Partners	5,692,621	15.11%	5,692,621	15.11%	341,132	15.11%	341,132	15.11%	341,132	15.11%

(c) Redeemable Cumulative Preference shares:

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million	No. of Shares held	₹ in million
7% Redeemable Cumulative Preference shares										
Balance at the beginning of the year	-	-	-	-	-	-	-	-	3,541,100	354.11
Add: Shares Redeemed during the year	-	-	-	-	-	-	-	-	(3,541,100)	(354.11)
Balance at the end of the year	-	-	-	-	-	-	-	-	-	-

Note:

(i) The company issued 3,541,100 7% Redeemable Cumulative Preference Shares of Rs.100 each at par to Shine Limited, Mauritius during 2004 and 2005. These preference shares have been redeemed at par on November 2, 2010 out of the redemption reserve created for this purpose.

(d) Aggregate number and class of bonus shares allotted as fully paid up for the period of five years immediately preceding the balance sheet date:

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity shares with voting rights					
Fully paid up by way of bonus shares	-	35,411,000	-	-	-
TOTAL	-	35,411,000	-	-	-

ANNEXURE VII

RESTATED SUMMARY STATEMENT OF STANDALONE RESERVES AND SURPLUS

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Capital Redemption Reserve					
Balance at the beginning of the year	-	354.11	354.11	354.11	78.55
Add: Transfer during the year	-	-	-	-	275.56
Less: Utilised during the year for issue of bonus shares	-	(354.11)	-	-	-
Balance at the end of the year	-	-	354.11	354.11	354.11
(b) Securities Premium Account					
Balance at the beginning of the year	642.96	642.96	642.96	642.96	146.37
Add: Received during the year	-	-	-	-	496.59
Less: Securities premium recoverable from ESOP trust (Premium on 56,432 shares allotted to the trust)	(5.25)	(5.25)	(5.25)	(5.25)	(5.25)
Balance at the end of the year	637.71	637.71	637.71	637.71	637.71
(c) General Reserve					
Balance at the beginning of the year	11.63	11.63	11.63	11.63	50.96
Less Transfer to Capital Redemption Reserve	-	-	-	-	(48.19)
Add: Transferred from surplus in Statement of Profit and Loss	-	-	-	-	8.86
Balance at the end of the year	11.63	11.63	11.63	11.63	11.63
(d) Surplus / (Deficit) in Statement of Profit and Loss					
Balance at the beginning of the year (Refer note (i) below)	219.58	172.28	97.68	13.67	162.71
Add: Profit for the year	34.85	47.30	74.60	84.01	92.22
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life [Net of deferred tax ₹ 20.52]	39.85	-	-	-	-
Less: Final Dividend proposed to be distributed to equity shareholders	-	-	-	-	(4.32)
Less: Corporate Dividend Tax on above	-	-	-	-	(0.70)
Less: Transferred to General Reserve	-	-	-	-	(8.86)
Less: Transferred to Capital redemption Reserve	-	-	-	-	(227.38)
Balance at the end of the year	214.58	219.58	172.28	97.68	13.67
Total	863.92	868.92	1,175.73	1,101.13	1,017.12

Note

(i) Refer footnote (iv) of Annexure V for the adjustments made to opening balance as at April 1, 2010.

ANNEXURE VIII

RESTATED SUMMARY STATEMENT OF STANDALONE LONG -TERM AND SHORT -TERM BORROWINGS

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(A) Long- term borrowings:					
(a) Term Loan					
From banks - Secured (Refer Note-(ii) below)	526.83	597.57	639.00	767.90	863.36
Less: Current maturities of long-term borrowings	(180.74)	(220.74)	(199.42)	(209.80)	(207.13)
Total secured loans	346.09	376.83	439.58	558.10	656.23
(b) Vehicle Loan					
From banks - Secured	-	0.32	2.11	4.67	2.68
Less: Current maturities of long term borrowings	-	(0.32)	(1.79)	(2.56)	(1.74)
Total secured loans	-	-	0.32	2.11	0.94
Total-A	346.09	376.83	439.90	560.21	657.17
(B) Short-term borrowings:					
Secured					
(a) Working capital demand loan					
From banks	-	15.00	-	-	-
Total-B	-	15.00	-	-	-
Total [A+B]	346.09	391.83	439.90	560.21	657.17

Notes:

- (i) There were no secured and unsecured loans borrowed from the promoters and directors as at March 31, 2015, 2014, 2013, 2012 and 2011.
- (ii) Details of terms of repayment and security provided in respect of the secured long-term borrowings:

(₹ in million)

Type of Facility	As at March 31, 2015	Rate of interest	Repayment*	Security
Kotak Mahindra Bank	12.50	10.10%	The loan is repayable in 6 monthly instalments of ₹ 2.08 million all of which will be repaid by March 31, 2016.	The loan is secured by a first pari passu charge on the current assets and movable fixed assets (other than those specifically charged to other lenders), both present and future of the company.
Kotak Mahindra Bank	21.00	11.75%	The loan is fully repayable in 45 monthly instalments of ₹ 0.47 million each.	The loan is secured by a first pari passu charge on the current assets and movable fixed assets (other than those specifically charged to other lenders), both present and future of the company.
Kotak Mahindra Bank	17.07	11.75%	The loan is repayable in 45 monthly instalments of ₹ 0.38 million each.	The loan is secured by a first pari passu charge on the current assets and movable fixed assets (other than those specifically charged to other lenders), both present and future of the company.
HDFC Bank	57.51	Base Rate plus 1.25%. 11.25% on closing date	The loan is repayable in 40 monthly instalments of ₹ 1.44 million each.	The loan is secured by a first pari passu charge on all the stock, book debts (including escrow on credit card receivables) and movable plant and machinery of the company, both present and future.
HDFC Bank	150.00	Base Rate plus 1.25%. 11.25% on closing date	The loan is repayable in 54 monthly instalments of ₹ 2.78 million each.	The loan is secured by a first pari passu charge on all the stock, book debts (including escrow on credit card receivables) and movable plant and machinery of the company, both present and future.
Axis Bank	268.75	Base Rate plus 1.10% 11.25% on closing date	The loan is repayable in 30 monthly instalments of ₹ 8.96 million each.	The loan is secured by a first pari passu charge on all current assets and movable fixed assets both present and future.
Total	526.83			

- (iii) The Company has not defaulted in repayment of loans and interest during the year.

ANNEXURE IX

RESTATED SUMMARY STATEMENT OF STANDALONE OTHER LONG-TERM LIABILITIES, CURRENT LIABILITIES AND PROVISIONS

	(₹ in million)				
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(A) Other long-term liabilities					
(i) Income received in advance (Unearned revenue)	-	-	0.60	1.80	3.00
(ii) Provision for Gratuity (net)	10.41	6.06	4.13	0.02	3.97
(iii) Advance from customers	0.24	0.18	0.12	-	-
Total-A	10.65	6.24	4.85	1.82	6.97
(B) Trade payables					
Acceptances	0.70	-	-	-	-
Other than acceptances (Refer note (i) below)	408.27	377.85	287.40	240.00	277.83
Total-B	408.97	377.85	287.40	240.00	277.83
(C) Other current liabilities					
(a) Current maturities of term loan	180.74	220.74	199.42	209.80	207.13
(b) Current maturities of Vehicle loan	-	0.32	1.79	2.56	1.74
(c) Interest accrued but not due on borrowings	4.99	6.41	6.68	7.45	7.17
(d) Income received in advance (unearned revenue)	-	0.60	1.87	1.20	1.69
(e) Unpaid dividends	-	-	-	-	-
(f) Other payables					
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Service Tax, VAT, labour welfare fund, professional tax etc)	23.16	19.67	18.15	16.15	16.33
(ii) Payables on purchase of fixed assets					
Acceptances	1.63	4.76	2.71	-	-
Other than acceptances	14.04	16.95	17.82	15.58	24.17
(iii) Interest accrued on trade payables	0.03	0.02	0.01	0.01	-
(iv) Trade / security deposits received	0.24	0.26	0.55	0.95	0.48
(v) Advance from customers	345.06	279.11	238.71	216.90	168.20
(vi) Book overdraft	-	0.42	44.49	2.52	15.26
(vii) Interest on advance tax	1.33	1.80	0.52	1.85	1.55
(viii) Provision for gratuity (net)	0.39	0.26	0.39	-	0.23
(ix) Payables to Franchisee	-	0.85	-	-	-
(x) Payables to jointly controlled entity	-	1.33	-	-	-
(xi) Contractually reimbursable expenses	0.17	-	-	-	-
Total-C	571.78	553.50	533.11	474.97	443.95
(D) Long-term provisions					
(a) Provision for employee benefits:					
Provision for compensated absences	9.53	7.06	6.19	5.06	5.99
Total-D	9.53	7.06	6.19	5.06	5.99
(E) Short-term provisions					
(a) Provision for employee benefits:					
(i) Provision for compensated absences	0.47	0.45	0.44	0.34	0.36
(b) Provision - Others:					
(i) Provision for tax	14.00	19.48	11.70	25.72	24.07
(ii) Wealth tax	0.13	0.17	0.18	0.16	0.16
(iii) Provision for proposed equity dividend	-	-	-	-	4.32
(iv) Provision for tax on proposed dividends	-	-	-	-	0.70
Total-E	14.60	20.10	12.32	26.22	29.61
Total-[A+B+C+D+E]	1,015.53	964.75	843.87	748.07	764.35

Note:

(i) Trade Payables include amounts due from promoters, directors, related parties and group companies. Refer Annexure-XX.

ANNEXURE X- RESTATED SUMMARY STATEMENT OF STANDALONE FIXED ASSETS

TANGIBLE AND INTANGIBLE ASSETS

Particulars	Tangible Assets									Intangible Assets		
	Land - Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Computer equipments	Total	Goodwill	Computer Software	Total
Gross block (at cost)												
As at April 1, 2010	26.50	0.99	365.83	62.01	30.91	137.94	623.85	33.33	1,281.36	1.47	5.45	6.92
Additions	-	-	82.94	9.47	-	26.91	229.89	5.84	355.05	-	5.06	5.06
Disposals (Refer Annexure XX)	-	-	10.33	4.58	4.97	6.68	20.64	2.43	49.63	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	8.91	-	8.91	-	0.25	0.25
As at March 31, 2011	26.50	0.99	438.44	66.90	25.94	158.17	842.01	36.74	1,595.69	1.47	10.76	12.23
Additions (Refer Annexure XX)	-	-	30.34	15.83	9.68	13.75	106.89	1.82	178.31	-	10.44	10.44
Disposals	-	-	14.29	2.89	0.23	7.84	12.15	2.09	39.49	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	2.15	-	2.15	-	-	-
As at March 31, 2012	26.50	0.99	454.49	79.84	35.39	164.08	938.90	36.47	1,736.66	1.47	21.20	22.67
Additions	-	-	59.69	7.82	0.35	14.66	114.66	5.08	202.26	-	0.22	0.22
Disposals	26.50	0.99	21.35	3.69	1.29	7.21	34.84	1.63	97.50	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	1.84	-	1.84	-	-	-
As at March 31, 2013	-	-	492.83	83.97	34.45	171.53	1,020.56	39.92	1,843.26	1.47	21.42	22.89
Additions	-	-	68.13	6.18	-	12.21	107.06	2.26	195.84	-	3.14	3.14
Disposals	-	-	22.07	2.25	0.74	5.79	17.80	3.18	51.83	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	3.51	-	3.51	-	-	-
Adjustment due to fire at Thane location, Mumbai	-	-	4.06	0.05	-	1.03	-	0.23	5.37	-	-	-
As at March 31, 2014	-	-	534.83	87.85	33.71	176.92	1,113.33	38.77	1,985.41	1.47	24.56	26.03
Additions	-	-	71.18	6.86	1.10	22.57	116.31	3.17	221.19	-	3.10	3.10
Disposals	-	-	13.91	3.75	7.95	6.70	62.24	1.36	95.91	-	-	-
Borrowing cost capitalised	-	-	-	-	-	-	2.04	-	2.04	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to fire at Noida location, UP	-	-	4.60	2.80	-	0.64	9.68	0.09	17.81	-	-	-
As at March 31, 2015	-	-	587.50	88.16	26.86	192.15	1,159.76	40.49	2,094.92	1.47	27.66	29.13
Accumulated depreciation												
As at April 1, 2010	-	0.09	111.32	26.32	6.72	27.94	194.30	18.78	385.47	1.15	2.59	3.74
Depreciation / amortisation expense for the year	-	0.02	34.54	5.76	2.91	9.28	100.72	5.10	158.33	0.05	1.07	1.12
Impairment losses recognised in Statement of Profit and Loss	-	-	-	-	-	-	2.92	-	2.92	-	-	-
Eliminated on disposal of assets	-	-	9.47	3.84	3.12	3.58	20.40	2.30	42.71	-	-	-
As at March 31, 2011	-	0.11	136.39	28.24	6.51	33.64	277.54	21.58	504.01	1.20	3.66	4.86
Depreciation / amortisation expense for the year	-	0.02	37.88	5.69	3.15	12.14	119.27	5.09	183.24	0.05	1.75	1.80
Impairment losses recognised in Statement of Profit and Loss	-	-	0.02	0.50	-	0.52	7.86	-	8.90	-	-	-
Eliminated on disposal of assets	-	-	11.24	2.21	0.23	6.82	9.70	2.03	32.23	-	-	-
As at March 31, 2012	-	0.13	163.05	32.22	9.43	39.48	394.97	24.64	663.92	1.25	5.41	6.66
Depreciation / amortisation expense for the year	-	0.01	42.48	5.95	3.32	10.97	137.48	4.58	204.79	0.05	3.30	3.35
Eliminated on disposal of assets	-	0.13	19.83	3.04	0.55	6.22	34.76	1.59	66.12	-	-	-
As at March 31, 2013	-	0.01	185.70	35.13	12.20	44.23	497.69	27.63	802.59	1.30	8.71	10.01
Depreciation / amortisation expense for the year	-	-	46.43	6.49	3.27	10.00	146.74	4.35	217.28	0.05	3.58	3.63
Eliminated on disposal of assets	-	-	21.26	1.93	0.63	3.90	17.72	3.14	48.58	-	-	-
Adjustment due to fire at Thane location, Mumbai	-	-	2.80	0.03	-	0.33	-	0.23	3.39	-	-	-
As at March 31, 2014	-	0.01	208.07	39.66	14.84	50.00	626.71	28.61	967.90	1.35	12.29	13.64
Depreciation / amortisation expense for the year	-	-	48.30	12.42	4.88	35.85	116.89	4.54	222.88	0.05	3.79	3.84
Transition adjustment (Refer note (ii) below)	-	-	0.15	1.19	0.15	56.05	-	2.84	60.38	-	-	-
Eliminated on disposal of assets	-	-	12.14	3.03	4.43	5.91	61.02	1.29	87.82	-	-	-
Adjustment due to fire at Noida location	-	-	2.65	2.44	-	0.19	4.77	0.06	10.11	-	-	-
As at March 31, 2015	-	0.01	241.73	47.80	15.44	135.80	677.81	34.64	1,153.23	1.40	16.08	17.48
Net block												
As at March 31, 2011	26.50	0.88	302.05	38.66	19.43	124.53	564.47	15.16	1,091.68	0.27	7.10	7.37
As at March 31, 2012	26.50	0.86	291.44	47.62	25.96	124.60	543.93	11.83	1,072.74	0.22	15.79	16.01
As at March 31, 2013	-	(0.01)	307.13	48.84	22.25	127.30	522.87	12.29	1,040.67	0.17	12.71	12.88
As at March 31, 2014	-	(0.01)	326.76	48.19	18.87	126.92	486.62	10.16	1,017.51	0.12	12.27	12.39
As at March 31, 2015	-	(0.01)	345.77	40.36	11.42	56.35	481.95	5.85	941.69	0.07	11.58	11.65

Notes:

(i) Gross block of fixed assets include vehicles acquired under hire purchase agreements with carrying values at

Particulars	(₹ in million)	
	Gross block	Net block
As at March 31, 2015	9.45	5.76
As at March 31, 2014	9.45	7.00
As at March 31, 2013	9.45	7.90
As at March 31, 2012	17.06	-
As at March 31, 2011	7.62	-

(ii) Movable Tangible fixed assets are subject to charge to secure the Company's borrowings referred in footnote note (ii) to Annexure VIII.

ANNEXURE XI

RESTATED SUMMARY STATEMENT OF STANDALONE NON-CURRENT INVESTMENTS

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
A. Investments (unquoted at cost):					
Trade :					
Investment in equity instruments of (Refer Annexure XX)					
(i) Subsidiaries (Refer note (i) below for detail of equity shares acquired):					
VLCC India Limited	0.86	0.86	0.86	0.86	0.86
Less: Provision for diminution in value on investments	0.86	0.86	0.86	0.86	0.86
	-	-	-	-	-
VLCC Personal Care Limited	190.00	190.00	190.00	190.00	190.00
VLCC International Inc., British Virgin Islands	715.60	703.36	627.56	618.03	618.03
VLCC Retail Limited	0.50	0.50	0.50	0.50	0.50
Less: Provision for diminution in value on investments	0.50	0.50	0.50	0.50	0.50
	-	-	-	-	-
Yap Yoga Private Limited	4.75	-	-	-	-
Less: Provision for diminution in value of investments	0.75	-	-	-	-
	4.00	-	-	-	-
(ii) Joint venture companies					
Yap Yoga Private Limited	-	2.50	-	-	-
Total - Trade (A)	909.60	895.86	817.56	808.03	808.03
B. Other Investments at cost					
Investment in government securities:					
6 year National Savings Certificate (Pledged with sales tax authorities)	0.02	0.02	0.02	0.02	0.02
Total - Other Investment (B)	0.02	0.02	0.02	0.02	0.02
Total [A+B]	909.62	895.88	817.58	808.05	808.05

Note:

(i) Detail of equity shares acquired :	(No. of shares)				
VLCC India Limited	85,500	85,500	85,500	85,500	85,500
[Equity Shares of ₹10 each, fully paid up]					
VLCC Personal Care Limited	4,375,000	4,375,000	4,375,000	4,375,000	4,375,000
[Equity Shares of ₹10 each, fully paid up]					
VLCC International Inc., British Virgin Islands	3,277,687	3,277,687	3,277,687	3,277,687	3,277,687
[Ordinary Shares of US \$ 1 each fully paid up]					
VLCC Retail Limited	50,000	50,000	50,000	50,000	50,000
[Equity Shares of ₹10 each, fully paid up]					
Yap Yoga Private Limited	475,000	250,000	-	-	-
[Equity Shares of ₹10 each, fully paid up]					

ANNEXURE XII

RESTATED SUMMARY STATEMENT OF STANDALONE LOANS AND ADVANCES, OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(A) Long Term Loans and Advances					
Unsecured, considered good [Refer note (iii) below]					
(a) Capital advances	11.43	17.03	12.21	17.39	26.56
(b) Security deposits	161.41	164.94	161.63	150.12	147.33
(c) Loans and advances to employees	0.24	0.16	0.17	0.75	0.07
(d) Prepaid expenses	1.80	0.16	0.16	-	-
(e) Loans and advances to jointly controlled entity	-	2.70	-	-	-
(f) Balance with government authorities					
-VAT paid under protest	1.29	-	-	-	-
-Luxury Tax paid under protest	0.26	-	-	-	-
Total- A	176.43	184.99	174.17	168.26	173.96
(B) Other Non-Current Assets					
(a) Balance with banks					
(i) In deposit accounts [Refer note (i) below]	6.83	2.38	1.37	1.64	0.77
(b) Accruals					
(i) Interest accrued on deposits	0.04	0.05	0.03	0.01	0.08
Total- B	6.87	2.43	1.40	1.65	0.85
(C) Short Term Loans and Advances					
Unsecured, considered good [Refer note (iii) below]					
(a) Loans and advances to related parties:					
-Subsidiary companies	-	-	8.34	7.82	7.95
(b) Security deposits [Refer note (ii) below]	4.00	4.90	2.40	10.58	13.78
(c) Loans and advances to employees	2.71	3.79	3.02	2.17	2.15
(d) Prepaid expenses	7.40	7.81	6.74	5.76	4.67
(e) Advance to suppliers	4.08	2.74	3.86	2.39	7.22
(f) Balances with government authorities					
(i) VAT credit recoverable	0.01	0.78	0.02	0.01	0.11
(ii) Service tax credit recoverable	12.13	13.98	10.26	9.05	9.21
(g) Other advances	0.90	0.07	-	-	-
(h) Advance Custom Duty	-	-	-	-	0.19
Total- C	31.23	34.07	34.64	37.78	45.28
(D) Other Current Assets					
Unsecured, considered good					
(a) Others					
(i) Contractually reimbursable expenses	-	1.31	-	5.84	4.07
(ii) Claims recoverable	1.73	1.80	1.40	-	-
(iii) Interest income recoverable	-	-	-	-	-
(iv) Receivables on sale of fixed assets	0.20	0.39	-	-	-
(v) Receivable from franchisee	-	1.02	-	-	-
(vi) Insurance Claims	9.70	-	-	1.04	-
(vii) Rent receivable	0.40	0.36	0.36	-	0.08
(b) Accruals					
(i) Interest accrued on deposits	-	-	-	-	0.16
Total- D	12.03	4.88	1.76	6.88	4.31
Total- [A+B+C+D]	226.56	226.37	211.97	214.57	224.40

Notes:

- (i) Deposits lodged with banks for issue of guarantees in favour of sales tax authorities and other government authorities.
(ii) Includes deposits of ₹ 0.06 million paid to Commercial Tax KVAT, Kochi in as at March 31, 2015, 2014 and 2013.
(iii) There were no loans and advances recoverable from promoters, directors and group companies [other than that disclosed under C(a)] as at March 31, 2015, 2014, 2013, 2012 and 2011.

ANNEXURE XIII

RESTATED SUMMARY STATEMENT OF STANDALONE INVENTORIES

(At lower of cost and net realisable value)

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Consumables	107.34	89.79	83.32	70.77	84.60
(b) Stock in trade (acquired for trading)	43.58	37.10	24.97	16.33	15.06
(c) Restatement adjustment (Refer Annexure- V)	-	(0.41)	-	-	-
Total	150.92	126.48	108.29	87.10	99.66

ANNEXURE XIV

RESTATED SUMMARY STATEMENT OF STANDALONE TRADE RECEIVABLES

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :					
Unsecured, considered good (Refer note (i) below)	13.39	14.79	4.39	3.71	1.01
Doubtful	4.97	-	-	-	-
	18.36	14.79	4.39	3.71	1.01
Less: Provision for doubtful debts	4.97	-	-	-	-
	13.39	14.79	4.39	3.71	1.01
Other trade receivables					
Secured, considered good (Refer note (ii) below)	0.09	0.18	0.40	-	-
Unsecured, considered good (Refer note (i) below)	48.53	19.83	32.54	4.96	8.84
	48.62	20.01	32.94	4.96	8.84
Total	62.01	34.80	37.33	8.67	9.85

Note:

(i) The above includes the following debts due from group companies:

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
VLCC Healthcare Lanka (P) Limited	-	0.59	-	0.19	-
VLCC International Liability Company, Oman	-	-	0.51	-	-
VLCC International Qatar WLL	-	-	0.25	0.24	-
VLCC Middle East LLC	-	-	-	-	0.01
VLCC Healthcare Bangladesh Private Limited	0.32	-	-	-	1.00
VLCC International LLC	-	-	-	3.29	-
TOTAL	0.32	0.59	0.76	3.72	1.01

(ii) Other trade receivables are secured to the extent of security deposits from the franchisees.

(iii) There were no other receivables from the promoters / directors /group companies other than those disclosed under note (i) above.

ANNEXURE XV

RESTATED SUMMARY STATEMENT OF STANDALONE CASH AND CASH EQUIVALENTS

Particulars	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Cash on hand [Refer note (i) below]	46.09	52.67	46.77	31.34	22.43
(b) Cheques in hand	19.60	17.69	9.79	12.28	10.00
(c) Balances with banks	-	-	-	-	-
(i) In current accounts	74.63	96.18	88.07	121.61	124.73
(ii) In fixed deposit accounts	-	0.22	-	-	4.31
(iii) In earmarked accounts	-	-	-	-	-
- Unpaid dividend accounts	-	-	-	-	-
(d) Credit card receivables	31.49	25.39	41.48	28.12	16.90
(e) Others	-	-	-	-	-
- Gold coin (Nos: 1)	-	0.03	0.03	-	-
Total	171.81	192.18	186.14	193.35	178.37

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is

171.81	192.18	186.14	193.35	178.37

Note:

(i) Includes foreign currencies equivalent to

0.23	0.35	0.66	0.23	0.10

RESTATED SUMMARY STATEMENT OF STANDALONE OPERATIONAL INCOME AND EXPENSE ITEMS

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(I) REVENUE					
(A) Sale of products (Refer note (i) below)	182.04	138.31	126.78	100.96	94.76
(B) Sale of services					
(i) Beauty & slimming sales	2,569.88	2,479.95	2,398.39	2,236.56	2,027.98
(ii) Tuition fees	365.18	292.89	264.47	203.14	181.06
(iii) Franchisees and collaborator income	21.71	16.39	19.27	13.74	7.58
(iv) Royalty income	44.49	35.92	33.34	27.86	25.69
(v) Revenue from yoga and physiotherapy services	-	0.55	-	-	-
Total Revenue (A +B)	3,183.30	2,964.01	2,842.25	2,582.26	2,337.07
(II) EXPENSES					
(A) Materials Consumed (Refer Note (i) below)					
Consumables					
Opening stock	89.79	83.32	70.25	84.55	41.80
Add: Purchases	259.40	217.87	235.38	182.34	206.63
Less: Closing stock	107.34	89.79	83.32	70.25	84.55
Total (A)	241.85	211.40	222.31	196.64	163.88
(B) Purchase of Stock-In-Trade	141.64	120.17	109.14	83.32	80.18
(C) Changes In Inventories of Stock-In-Trade					
(i) Inventories at the end of the year	43.58	37.10	24.97	16.33	15.06
(ii) Inventories at the beginning of the year	37.10	24.97	16.33	15.06	11.64
Net Decrease Total- C = [(ii)-(i)]	(6.48)	(12.13)	(8.64)	(1.27)	(3.42)
(D) Employee Benefits Expenses:					
Salaries and wages	700.01	637.61	610.53	520.19	511.62
Contributions to provident and other funds	42.07	32.63	31.17	24.71	30.54
Staff welfare expenses	39.74	36.90	44.75	42.19	44.81
Total (D)	781.82	707.14	686.45	587.09	586.97
(E) Depreciation and Amortisation Expenses (Refer Note (ii) below)	226.72	220.91	208.14	185.04	159.45
(F) Other Expenses:					
Generator rent and maintenance charges	32.35	33.02	35.41	30.40	28.40
Electricity and water charges	98.99	90.92	81.12	70.15	65.63
Rent (Refer note 5 of Annexure IV-B)	438.02	441.64	412.96	398.44	343.00
Repairs and maintenance - Building	16.78	15.10	12.07	14.05	12.32
Repairs and maintenance - Equipment	14.24	15.94	14.77	9.61	12.82
Repairs and maintenance - Others	40.46	39.14	33.77	28.20	23.10
Insurance	7.42	6.08	6.01	6.31	6.88
Rates and taxes	8.98	9.22	7.29	6.15	5.69
Communication expenses	25.68	25.33	23.77	25.56	28.25
Travelling and conveyance	128.36	117.39	103.61	77.28	74.30
Printing and stationery	11.46	11.79	17.13	14.24	15.57
Incentive on sales	223.85	221.01	213.68	200.92	168.22
Share of Profits of Collaborators	0.85	3.12	4.84	7.12	10.41
Donation	-	1.30	1.04	1.53	0.57
Legal and professional :					
Legal expenses	0.70	1.47	2.62	1.67	7.85
Professional charges	50.50	40.77	25.96	18.66	20.22
Doctor's consultancy charges	55.46	53.84	48.72	39.96	34.11
Payment to auditors	3.15	2.95	2.37	2.34	2.11
Vehicle running and maintenance	2.60	2.28	3.01	2.51	2.04
House keeping charges	75.58	70.08	62.29	54.41	51.68
Membership and subscription	1.35	1.34	1.41	1.74	1.81
Office expenses	11.87	10.82	12.56	10.92	9.13
Laundry expenses	21.43	21.01	20.74	19.63	18.38
Security charges	15.51	14.73	15.31	14.74	14.00
Loss on fixed assets sold / written off during the year	4.04	2.11	-	5.32	3.91
Net loss on foreign currency transactions and translations	-	0.51	-	-	-
Bad trade receivables	4.12	2.19	0.31	0.54	1.84
Advances and security deposit written off	1.62	1.54	0.01	0.32	4.51
Inventory written off	-	0.41	-	-	-
Capital work in progress written off during the year	-	-	-	-	1.22
Provision for impairment of tangible fixed assets	-	-	-	8.90	2.92
Provision for diminution in value of investments	-	-	-	-	0.50
Directors sitting fees	1.65	0.36	0.17	0.24	0.36
Royalty	17.72	2.24	1.78	1.25	-
Advertisement	258.26	238.84	232.95	178.09	180.18
Exhibition expenses	15.96	4.93	6.83	4.33	5.67
Sales promotion	24.73	22.83	22.77	37.12	26.49
Miscellaneous expenses	61.07	38.01	34.44	13.29	15.08
Fixed assets damaged due to fire	7.72	1.99	-	-	-
Provision for doubtful trade receivables	4.97	-	-	-	-
Provision for doubtful assets	0.61	-	-	-	-
Provision for diminution in value of investments	0.75	-	-	-	-
Corporate social responsibility expenses [Refer note 9 of Annexure IV-B]	1.98	-	-	-	-
Total (F)	1,690.79	1,566.25	1,461.72	1,305.94	1,199.17

(₹ in million)					
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(G) Finance Cost:					
(i) Interest expense on borrowings	61.96	76.59	85.19	105.92	49.86
(ii) Interest expense on trade payables	0.01	0.02	0.01	0.01	-
(iii) Interest on delayed payment of income tax	1.34	1.83	0.52	1.85	1.55
(iv) Credit card charges etc.	31.87	23.75	22.21	18.69	12.86
Total (G)	95.18	102.19	107.93	126.47	64.27
Total Expenses (A) to (G)	2,944.80	2,695.02	2,578.91	2,298.19	2,091.05

Notes:

(i) It is not practicable to furnish the broad heads in view of the considerable number of items diverse in nature and size.					
(ii) Depreciation and amortisation expense:					
Depreciation on Tangible assets	222.88	217.28	204.79	183.24	158.33
Depreciation on Intangible assets	3.84	3.63	3.35	1.80	1.12
Total	226.72	220.91	208.14	185.04	159.45

ANNEXURE XVII

RESTATE SUMMARY STATEMENT OF STANDALONE OTHER INCOME

(₹ in million)						
Particulars	Nature (Recurring / Non Recurring)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
(a) Interest income [Refer Note-(i)]	Recurring	0.84	3.24	0.57	0.46	0.42
(b) Gain on sale of mutual funds (net)	Non-Recurring	-	-	0.27	0.45	0.05
(c) Net gain on foreign currency transactions and translation	Recurring	2.03	-	0.83	1.86	0.36
(d) Other non-operating income [Refer Note-(ii)]		30.41	19.30	42.76	23.26	25.60
(e) Dividend Income:						
-from current investments- Mutual Funds	Non-Recurring	-	-	-	-	0.05
- from long term investments- Subsidiaries	Non-Recurring	-	-	-	-	15.00
Total		33.28	22.54	44.43	26.03	41.48

Notes:

(i) Interest income comprises:						
- Interest from banks on deposits		0.37	0.33	0.22	0.32	0.29
- Interest on Security Deposits		0.07	0.06	0.06	0.06	0.07
- Interest on loan to employees		0.12	0.14	0.18	0.08	0.06
- Interest on loan to related parties		0.28	2.71	-	-	-
- Interest on income tax refund		-	-	0.11	-	-
		0.84	3.24	0.57	0.46	0.42
(ii) Other non-operating income comprises:						
Rent received	Recurring	1.80	2.40	2.40	2.40	2.40
Liabilities written back	Recurring	13.03	12.11	8.53	10.22	3.39
Profit on sale of fixed assets (net) (Refer Note (i) below)	Recurring	-	-	26.79	-	-
Dividend Income	Non-Recurring	1.23	-	-	-	-
Bad trade receivables recovered	Non-Recurring	0.13	0.31	-	0.73	0.62
Sale of assets to franchisees	Non-Recurring	1.84	0.77	-	-	-
Export sale of linens and assets	Recurring	0.84	3.48	3.60	6.44	7.75
Miscellaneous Income	Recurring	1.84	0.23	1.44	3.47	11.44
Insurance Income	Non-Recurring	9.70	-	-	-	-
		30.41	19.30	42.76	23.26	25.60

Note:

- (i) Profit on sale of fixed assets includes gain of ₹ 26.77 Mn. received on transfer of rights in land which is non-recurring in nature. The remaining profit on sale of fixed assets is recurring in nature.

ANNEXURE XVIII

RESTATED SUMMARY STATEMENT OF STANDALONE DIVIDEND PAID / PROPOSED ON EQUITY SHARES

(₹ in million)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
Class of shares					
Face value : ₹ 10 per share					
Number of Equity Shares (C)	37,668,283	37,668,283	2,257,283	2,257,283	2,257,283
Dividend on Equity Shares					
Rate of Dividend (%)	-	-	-	-	19%
Dividend Per Share (₹) [(A-B)/C]	-	-	-	-	1.91
Amount of Dividend in (₹ in million) (A)	-	-	-	-	5.02
Corporate Dividend Tax in (₹ in million) (B)	-	-	-	-	0.70

ANNEXURE XIX

RESTATED SUMMARY STATEMENT OF STANDALONE ACCOUNTING RATIOS

(₹ in million)

Particulars		Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Profit after tax as restated	A	34.85	47.30	74.60	84.01	92.22
Weighted average number of equity shares outstanding during the year (Refer note (i) and (iv) below)	B	37,612,000	37,612,000	2,201,000	2,201,000	2,201,000
Weighted average number of potential equity shares (Refer note (i) and (iv) below)	C	-	-	-	-	-
Number of equity shares outstanding at end of the year	D	37,612,000	37,612,000	2,201,000	2,201,000	2,201,000
Restated net worth excluding preference share capital at the end of the year	E	1,240	1,245	1,198	1,123	1,039
Accounting Ratios: (Refer note (iii) and (iv) below)						
Basic earnings per share (₹)	A/B	0.93	1.26	33.89	38.17	41.90
Diluted earnings per share (₹)	A/(B+C)	0.93	1.26	33.89	38.17	41.90
Return on net worth (%)	A/E	2.81	3.80	6.23	7.48	8.87
Net Asset value per equity share (₹)	D/E	32.97	33.10	544.18	510.29	472.12

Notes :

- (i) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specified shares are outstanding as a proportion of total number of days during the year.
- (ii) The above ratios have been computed on the basis of the restated summary statements - Annexure I and Annexure-II.
Net Worth means the aggregate value of the paid up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- (iii) The ratios have been computed as below:

(a) Earnings per share(₹)

Profit after tax as restated	
Weighted average number of equity shares (including Bonus Shares) outstanding during the year	

(b) Return on Net Worth (%)

Profit after tax as restated	
Net Worth excluding revaluation reserve at the end of the year	

(c) Net asset value per equity share (₹)

Restated net worth excluding revaluation reserve and preference share capital at the end of the year	
Number of equity shares (excluding Bonus Shares upto March 31, 2014) outstanding at the end of the year	

- (iv) Earnings per share have been computed in accordance with Accounting Standard-20 "Earnings per share", issued by the Institute of Chartered Accountants of India.

ANNEXURE XX

RESTATED SUMMARY STATEMENT OF STANDALONE SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(a) Details of related parties as per Accounting Standard-18 "Related party Transactions", issued by the Institute of Chartered Accountants of India:

Description of relationship: Subsidiary Companies:

Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
VLCC India Limited	VLCC India Limited	VLCC India Limited	VLCC India Limited	VLCC India Limited
VLCC Personal Care Limited	VLCC Personal Care Limited	VLCC Personal Care Limited	VLCC Personal Care Limited	VLCC Personal Care Limited
VLCC Retail Limited	VLCC Retail Limited	VLCC Retail Limited	VLCC Retail Limited	VLCC Retail Limited
VLCC International Inc, British Virgin Islands	VLCC International Inc, British Virgin Islands	VLCC International Inc, British Virgin Islands	VLCC International Inc, British Virgin Islands	VLCC International Inc, British Virgin Islands
VLCC International LLC	VLCC International LLC	VLCC International LLC	VLCC International LLC	
VLCC Middle East LLC	VLCC Middle East LLC	VLCC Middle East LLC	VLCC Middle East LLC	
VLCC Europe Limited	VLCC Europe Limited	VLCC Europe Limited	VLCC Europe Limited	
VLCC International Liability Company, Oman	VLCC International Liability Company, Oman	VLCC International Liability Company, Oman	VLCC International Liability Company, Oman	
VLCC International LLC, (Bahrain) WLL	VLCC International LLC, (Bahrain) WLL	VLCC International LLC, (Bahrain) WLL	VLCC International LLC, (Bahrain) WLL	
VLCC International Qatar W.L.L.	VLCC International Qatar W.L.L.	VLCC International Qatar W.L.L.	VLCC International Qatar W.L.L.	
VLCC Overseas Limited	VLCC Overseas Limited	VLCC Overseas Limited	VLCC Overseas Limited	
VLCC Healthcare (Bangladesh) Pvt Ltd.	VLCC Healthcare (Bangladesh) Pvt Ltd.	VLCC Healthcare (Bangladesh) Pvt Ltd.	VLCC Healthcare (Bangladesh) Pvt Ltd.	
VLCC Healthcare Lanka (P) Ltd	VLCC Healthcare Lanka (P) Ltd	VLCC Healthcare Lanka (P) Ltd	VLCC Healthcare Lanka (P) Ltd	
VLCC Education Lanka (P) Ltd	VLCC Education Lanka (P) Ltd	VLCC Education Lanka (P) Ltd	VLCC Education Lanka (P) Ltd	
VLCC Singapore Pte Ltd	VLCC Singapore Pte Ltd	VLCC Singapore Pte Ltd	VLCC Singapore Pte Ltd	
VLCC Healthcare Egypt LLC	VLCC Healthcare Egypt LLC	VLCC Healthcare Egypt LLC	VLCC Healthcare Egypt LLC	
Wyann International (M) SDN. BHD.	Wyann International (M) SDN. BHD.	Wyann International (M) SDN. BHD.		
VLCC Personal care (Bangladesh) Pvt Ltd.	VLCC Personal care (Bangladesh) Pvt Ltd.	VLCC Personal care (Bangladesh) Pvt Ltd.		
VLCC Wellness (M) SDN. BHD	VLCC Wellness (M) SDN. BHD	VLCC Wellness (M) SDN. BHD		
Skin Nutrition Asia Pacific SDN, BHD	Skin Nutrition Asia Pacific SDN, BHD			
Global Vantage Innovative Group Pte Ltd (Gvig)	Global Vantage Innovative Group Pte Ltd (Gvig)			
Celblos Dermal Research Centre Pte Ltd	Celblos Dermal Research Centre Pte Ltd			
Excel Beauty Solution SDN, BHD	Excel Beauty Solution SDN, BHD			

Description of relationship: Subsidiary Companies:

Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Enavose Life Science Research Pte Ltd	Enavose Life Science Research Pte Ltd			
Bellewave Cosmetics Pte Ltd	Bellewave Cosmetics Pte Ltd			
VLCC Wellness (East Africa) Limited	VLCC Wellness (East Africa) Limited			
VLCC International Kuwait Health Care Institute Limited Liability	VLCC International Kuwait Health Care Institute Limited Liability			
VLCC Wellness Research Centre Pvt. Ltd. (Formerly known as Natraj Woollen & Furnishing Mills Pvt. Ltd.) (From December 09, 2014)				
Yap Yoga Pvt Ltd (From March 30, 2015)				
VLCC Holding (Thailand) Co. Ltd.				
VLCC Wellness (Thailand) Co. Ltd.				

Jointly Controlled Entity:

Yap Yoga Pvt Ltd (Upto March 29, 2015 after which it became a subsidiary)	Yap Yoga Pvt Ltd			

Key Management Personnel (KMP):

Mukesh Luthra	Mukesh Luthra	Mukesh Luthra	Mukesh Luthra	Mukesh Luthra
Sandeep Ahuja	Sandeep Ahuja	Sandeep Ahuja	Sandeep Ahuja	Sandeep Ahuja
Narinder Kumar (From August 18, 2014)				Pallavi Luthra Puri (Upto April 30, 2010)

Company in which KMP / Relatives of KMP can exercise significant influence:

Natraj Woollen & Finishing Mills Pvt Ltd (upto December 08, 2014)	Natraj Woollen & Finishing Mills Pvt Ltd	Natraj Woollen & Finishing Mills Pvt Ltd	Natraj Woollen & Finishing Mills Pvt Ltd	Natraj Woollen & Finishing Mills Pvt Ltd

Relative of Key Management Personnel (KMP):

Vandana Luthra	Vandana Luthra	Vandana Luthra	Vandana Luthra	Vandana Luthra

(b) Details of related party transactions and status of balances outstanding

(₹ in million)

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
A. Revenue					
<i>Subsidiary companies</i>					
Sale of goods:					
- VLCC International LLC	-	-	0.36	4.02	3.99
- VLCC Healthcare Lanka (P) Ltd	-	1.31	0.36	0.51	1.07
- VLCC Healthcare (Bangladesh) Pvt Ltd	0.84	2.17	2.88	0.05	2.68
- VLCC Middle East LLC	-	-	-	1.63	0.01
- VLCC International Qatar WLL	-	-	-	0.23	-
<i>Jointly controlled entity</i>					
Sale of services:	-	0.55	-	-	-
B. Other Income					
<i>Subsidiary companies</i>					
Rent:					
- VLCC Personal Care Limited	1.80	2.40	2.40	2.40	2.40
Dividend:					
- VLCC Personal Care Limited	-	-	-	-	15.00
Interest:					
- VLCC International Inc.	-	2.71	-	-	-
<i>Jointly Controlled Entity (*):</i>					
Interest					
-Yap Yoga Pvt Ltd	0.28	-	-	-	-
Dividend Received					
-Yap Yoga Pvt Ltd	1.23	-	-	-	-
C. Expenses					
<i>Subsidiary companies</i>					
- VLCC Personal Care Limited:					
- Purchase of Consumables	142.51	113.37	128.04	106.55	108.40
- Communication Expenses	-	-	0.11	0.37	0.71
- Freight expenses	-	-	-	0.04	-
- Office expenses	-	-	0.01	-	-
- VLCC Middle East LLC:					
- Purchase of Consumables	-	-	-	-	0.12
- Bellawave Cosmetics Pte Ltd					
- Purchase of Consumables	3.58	-	-	-	-
<i>Company in which KMP / Relatives of KMP can exercise significant influence:</i>					
- VLCC Wellness Research Centre Pvt Ltd. (Formally known as Nataraj Woollen & Furnishing Mills Pvt. Ltd.):					
- Rent	10.35	12.00	12.00	12.00	12.00
<i>Relatives of Key management personnel</i>					
- Vandana Luthra					
- Professional Fees	11.25	9.00	9.00	9.00	9.00
<i>Key management personnel</i>					
- Managerial Remuneration					
- Sandeep Ahuja	7.86	7.29	6.83	6.22	5.74
- Mukesh Luthra	-	-	-	-	2.11
- Pallavi Luthra Puri	-	-	-	-	0.21
- Narinder Kumar	5.01	-	-	-	-
<i>Jointly Controlled Entity</i>					
- Purchase of Fixed assets	4.07	-	-	-	-
- Royalty	14.93	-	-	-	-
D. Reimbursement of expenses paid					
<i>Subsidiary companies</i>					
-VLCC Personal Care Limited	-	2.26	19.01	0.44	0.34
-VLCC Healthcare Lanka Private Limited	-	-	-	-	2.51
-VLCC Healthcare Bangladesh Private Limited	-	-	-	-	4.35
E. Purchase of fixed assets					
<i>Subsidiary companies</i>					
- VLCC Middle East LLC	-	-	-	0.19	-
F. Sale of fixed assets					
<i>Subsidiary companies</i>					
-VLCC Personal Care Limited	-	-	-	-	24.15

	(₹ in million)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
G. Balance outstanding at the end of the year					
Trade receivables					
<i>Subsidiary companies</i>					
- VLCC International LLC	-	-	-	3.29	-
- VLCC Middle East LLC	-	-	-	-	0.01
- VLCC Healthcare Lanka (P) Ltd	-	0.59	-	0.19	-
- VLCC International Liability Company, Oman	-	-	0.51	-	-
- VLCC Healthcare Bangladesh Private Limited	0.32	-	-	-	1.00
- VLCC International Qatar WLL	-	-	0.25	0.24	-
Short-term loans and advances					
<i>Subsidiary companies</i>					
- VLCC International LLC	-	-	-	-	1.09
- VLCC Healthcare Lanka (P) Ltd	-	-	3.05	2.86	2.51
- VLCC Healthcare (Bangladesh) Pvt Ltd	-	-	5.29	4.96	4.35
Long-term loans and advances					
Jointly controlled entity	-	2.70	-	-	-
Non-current investments					
<i>Subsidiary companies</i>					
- VLCC India Limited	0.86	0.86	0.86	0.86	0.86
- VLCC Personal Care Limited	190.00	190.00	190.00	190.00	190.00
- VLCC International Inc. British Virgin Islands	715.60	703.36	627.56	618.03	618.03
- VLCC Retail Limited	0.50	0.50	0.50	0.50	0.50
-Yap Yoga Pvt Ltd	4.75	-	-	-	-
<i>Jointly controlled entity</i>	-	2.50	-	-	-
Trade payables					
<i>Subsidiary companies</i>					
- VLCC Personal Care Limited	77.45	56.39	41.62	33.06	63.55
- VLCC Middle East LLC	-	-	0.48	-	-
- Bellawave Cosmetics PTE Ltd	2.11	-	-	-	-
<i>Relatives of Key management personnel</i>	1.02	0.68	0.76	0.74	0.68
Other current liabilities					
<i>Jointly controlled entity</i>	-	1.33	-	-	-
Guarantees and collaterals					
<i>Subsidiary companies</i>					
- VLCC Personal Care Limited	-	-	50.00	300.00	200.00
- VLCC International LLC	218.34	246.66	301.65	399.21	532.65
- VLCC International LLC, (Bahrain) WLL	-	37.50	37.50	37.50	37.50
- VLCC International Qatar WLL	83.13	110.24	108.57	-	-
- VLCC Singapore Pte Ltd	220.19	230.39	-	-	-
- Wyann International (M) SDN.BHD	58.06	90.16	81.69	-	-
- VLCC International Inc, British Virgin Islands	406.25	209.70	-	-	-

ANNEXURE XXI

RESTATED SUMMARY STATEMENT OF STANDALONE CAPITALISATION

(₹ in million)

Particulars	Pre-Issue as at March 31, 2015	Post Issue
Short term debt	-	Refer note (i) below
Long term debt (including current maturities of long term borrowings) (A)	527	
Total Borrowings	527	
Shareholders' fund		
Share capital (including preference share capital)	376	
Reserves as restated (excluding revaluation reserve)	864	
Total shareholders' fund (B)	1,240	
Long term debt/Total shareholders' fund (A/B)	0.42	

Notes:-

(i) Post Issue Capitalization will be determined after finalization of issue price. The issue price and the number of shares will be finalized later and as such the post issue capitalization statement cannot be presented.

(ii) The above has been computed on the basis of the restated summary statements - Annexure I.

ANNEXURE XXII

RESTATED SUMMARY STATEMENT OF STANDALONE TAX SHELTERS

(₹ in million)

Sl. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
A	Profit before tax as restated	45.06	70.62	99.63	125.06	128.05
B	Tax rate (including surcharge and education cess where applicable)	33.99%	33.99%	32.45%	32.45%	33.22%
C	Tax thereon at the above rate (A * B)	15.32	24.00	32.32	40.58	42.54
D	Permanent Differences					
	Donation paid (disallowed amount)	1.64	0.66	0.52	0.77	0.30
	Expenses disallowed under the Income Tax Act, 1961	1.48	2.43	0.71	2.02	9.81
	Dividend income exempt	(1.23)	-	-	-	(15.05)
	Capital receipts	(9.70)	-	(0.96)	(1.47)	(9.29)
	Compensation received for delay in projects	(1.15)	-	-	-	-
	Others	-	0.26	-	0.11	0.08
	Total permanent differences	(8.96)	3.35	0.27	1.43	(14.15)
E	Timing differences					
	Difference in book depreciation and depreciation under Income Tax Act 1961	60.11	65.98	56.74	46.49	29.73
	Profit / (Loss) on sale of fixed assets	4.04	2.11	(0.02)	5.32	3.91
	Expenses disallowed under the Income Tax Act, 1961	6.33	-	-	-	0.50
	Provision of leave encashment u/s 43B	2.50	0.87	1.24	(0.96)	2.15
	Brands written off	-	(4.58)	(4.76)	(5.69)	(5.69)
	Asset destroyed in fire	7.72	1.99	-	-	-
	Total Timing Differences	80.70	66.37	53.20	45.16	30.60
F	Item having different tax rate					
	Long term capital gain on sale of land	-	-	(25.03)	-	-
	Total item having different tax rate	-	-	(25.03)	-	-
G	Net Adjustments (D+E+F)	71.74	69.72	28.44	46.59	16.45
H	Tax expense / (saving) thereon (G * B)	24.38	23.70	9.23	15.12	5.46
I	Tax Liability (C+H)	39.70	47.70	41.55	55.70	48.00
J	Taxable long term capital gain	-	-	6.23	-	-
K	Total taxable income (A+G+J)	116.80	140.34	134.30	171.65	144.50
L	Tax liability on business income (I)	39.70	47.70	41.55	55.70	48.00
	Tax on capital gain	-	-	1.35	-	-
	Total tax liability	39.70	47.70	42.90	55.70	48.00
	Total Current year tax expense	39.70	47.70	42.90	55.70	48.00

ANNEXURE XXIII

RESTATED SUMMARY STATEMENT OF STANDALONE DEFERRED TAX ASSET

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Deferred Tax Assets					
Provision for compensated absences, gratuity and other employee benefits	3.46	2.55	2.15	1.75	2.06
Provision for contingent liability	2.27	2.23	2.13	2.15	2.15
On difference between book balance and tax balance of fixed assets	112.46	61.76	36.87	18.04	1.23
Provision for Impairment of Investments	0.73	0.46	0.44	0.44	0.44
Provision for doubtful trade receivables	1.72	-	-	-	-
Provision for doubtful other receivables	0.21	-	-	-	-
Restatement adjustment (Refer Annexure-V)	-	(0.88)	(1.33)	(1.85)	(2.08)
Deferred tax on brand and cinematography	-	4.63	5.96	7.81	9.89
Total	120.85	70.75	46.22	28.34	13.69

ANNEXURE XXIII

RESTATEd SUMMARY STATEMENT OF EMPLOYEE STOCK OPTION SCHEME

Employee Stock Option Scheme (ESOP)

Pursuant to a general meeting held on June 26, 2007, the shareholders of the company through a special resolution approved an employee stock option plan called "ESOP 2007" (by allocating 2.5% of the paid up equity share capital as on the date of plan) which provides for grant of stock options to eligible employees of the Company and its' subsidiaries to acquire equity shares of the Company. The ESOP committee decides on the employees and the size of the stock option to be granted to each employee. These stock options are to be converted into one equity share at a price determined at the time of the grant. The options granted vest in a graded manner and are to be exercised within a period of 6 years (increased from 4 years on February 20, 2014) from the date of vesting.

Further, for the purposes of managing the above ESOP plan, the Company has formed VLCC Employee Welfare Trust ("the Trust") which will hold the equity shares on behalf of employees till the granted stock options are vested and exercised in accordance with the plan.

Under the approved plan, the Company has issued 941,706 equity shares in tranches through initial issue, rights issue and bonus issue to the Trust. In order to enable the Trust to subscribe to the above equity shares of the Company on behalf of employees, the Company has given advances amounting to ₹ 5.81 million as at March 31, 2015 to the Trust.

As on March 31, 2015, an advance of ₹ 5.81 million paid to the Trust has been adjusted from securities premium of ₹ 5.25 million and ₹ 0.56 million from the face value of equity shares issued, subscribed and paid up in accordance with the guidance note issued by the Institute of Chartered Accountants of India.

The exercise price is equal to or higher than the fair value of the equity on the date of each grant, no compensation cost has been recognised in the books of account.

Employee stock options details as at March 31, 2015 date are as follows:

Nature	Date of grant	Number	Contractual life	Basis of valuation
Fresh Grant	12-Jul-07	14,400	6 Years	Refer note (iv) below
Fresh Grant	22-Aug-08	1,000	6 Years	Refer note (iv) below
Additional option	1-Apr-09	1,500	6 Years	Refer note (i) below
Additional option	12-Aug-09	2,750	6 Years	Refer note (i) below
Additional option	8-Mar-11	4,321	6 Years	Refer note (i) below
Fresh Grant	12-Jul-12	4,750	6 Years	Black Scholes
Additional option	27-Sep-13	450,559	6 Years	Refer note (ii) below
Fresh Grant	12-Jul-14	140,769	6 Years	Black Scholes
Fresh Grant	4-Feb-15	10,000	6 Years	Black Scholes
TOTAL		630,049		

Notes:

- These are right shares issued to the Trust and consequently the Company has granted additional stock options to the options outstanding as on the date of such rights issue. These options have not lapsed as of March 31, 2015.
- As on September 27, 2013 the Company has issued fully paid up bonus shares in ratio of 15.96 shares for every one share held, to the existing shareholders by way of capitalization of securities premium account. Consequent upon issue and allotment of said bonus shares, the Trust received 885275 bonus shares. The Company has granted additional stock options in the ratio of 15.96 options for every one option outstanding as on the date of such bonus issue. The additional option granted on the date of bonus issue was 489,559 out of which 39,000 have lapsed till March 31, 2015 due to resignation of employees.
- These stock options have been granted to senior management as well as general employee with a condition of one year of continuous employment.
- Fair value of equity as an average of Net Asset Value method and Profit Earning Capacity Value method.
- Following table mentions the vesting schedule:

Vesting category	Date of vesting	Number of ESOPs vested
Grant date prior to April 1, 2008.	On April 1, 2010	75% of the total options granted
	On April 1, 2011	25% of the total options granted
Grant date on or after April 1, 2008 till March 31, 2009.	On April 1, 2010	One third of the total options granted
	On April 1, 2011	One third of the total options granted
	On April 1, 2012	One third of the total options granted
Grant date on or after April 1, 2009 till March 31, 2014.	One year from the date of grant	One third of the total options granted
	Two years from the date of grant	One third of the total options granted
	Three years from the date of grant	One third of the total options granted
Grant date on or after April 1, 2014.	One year from the grant date or on IPO of the Company whichever is later "(First vesting date)"	One third of the total options granted
	One year from the first vesting date	One third of the total options granted
	Two years from the first vesting date	One third of the total options granted

(vi) Information concerning the stock options granted and outstanding at the year end is as follows:

Particulars	During the year ended March 31, 2015		During the year ended March 31, 2014		During the year ended March 31, 2013		During the year ended March 31, 2012		During the year ended March 31, 2011	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	508,363	6	32,957	114	35,957	124	26,950	64	23,139	70
Granted during the year	176,769	58	517,008	-	-	-	10,000	277	4,858	64
Vested during the year	21,197	238	519,341	1.45	3,722	285	6,004	66	16,086	61
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Lapsed/Forfeited during the year	55,083	31	41,602	14	3,000	238	993	58	1,047	180
Options outstanding at the end of the year:	630,049	18	508,363	6	32,957	114	35,957	124	26,950	64
Exercisable at end of the year										
Options available for grant:	311,657		433,343		23,475		20,475		29,482	

ANNEXURE XXV

RESTATED SUMMARY STATEMENT OF STANDALONE SEGMENT REPORTING

Primary Segment

The Company is currently engaged in two business segments i.e., Beauty & Slimming services and Educational Vocational Training services.

(₹ in million)

Reportable Segments	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2015	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2014	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2013	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2012	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2011
Revenue															
Sales	2,800.96	382.33	3,183.29	2,657.53	306.47	2,964.00	2,564.44	277.81	2,842.25	2,369.06	213.20	2,582.26	2,145.87	191.20	2,337.07
Other Income	4.64	2.83	7.47	7.25	0.67	7.92	4.74	1.63	6.37	9.93	2.33	12.26	9.61	1.17	10.78
Total Revenue	2,805.60	385.16	3,190.76	2,664.78	307.14	2,971.92	2,569.18	279.44	2,848.62	2,378.99	215.53	2,594.52	2,155.48	192.37	2,347.85
Result															
Segment Expenses	2,399.96	370.07	2,770.03	2,263.86	277.56	2,541.42	2,123.44	264.17	2,387.61	1,986.16	201.65	2,187.81	1,906.37	178.28	2,084.65
Segment Result	405.64	15.09	420.73	400.92	29.58	430.50	445.74	15.27	461.01	392.83	13.88	406.71	249.11	14.09	263.20
Unallocated other income	-	-	25.82	-	-	14.62	-	-	38.05	-	-	13.77	-	-	30.71
Unallocated Corporate Expenses	-	-	(306.30)	-	-	(272.31)	-	-	(291.51)	-	-	(168.96)	-	-	(101.59)
Operating Profit/(Loss)			140.25			172.81			207.55			251.52			192.32
Finance Costs	-	-	(95.18)	-	-	(102.19)	-	-	(107.92)	-	-	(126.46)	-	-	(64.27)
Prior period tax adjustments	-	-	(0.09)	-	-	(0.16)	-	-	-	-	-	-	-	-	0.13
Provision for Taxation	-	-	(39.70)	-	-	(47.70)	-	-	(42.90)	-	-	(55.70)	-	-	(48.00)
Deferred Tax	-	-	29.58	-	-	24.54	-	-	17.87	-	-	14.65	-	-	12.04
Net Profit After Tax			34.86			47.30			74.60			84.01			92.22
Other Information															
Segment Assets	1,028.26	171.91	1,200.17	1,228.52	155.63	1,384.15	1,196.63	176.41	1,373.04	1,233.66	109.25	1,342.91	1,277.75	119.21	1,396.96
Unallocated Assets	-	-	1,401.49	-	-	1,217.47	-	-	1,108.47	-	-	1,088.51	-	-	1,063.69
Total Assets			2,601.66			2,601.62			2,481.51			2,431.42			2,460.65
Segment Liabilities	477.56	89.29	566.85	423.34	78.45	501.79	327.29	57.07	384.36	301.43	46.00	347.43	252.64	38.69	291.33
Unallocated Liabilities	-	-	794.77	-	-	854.79	-	-	899.41	-	-	960.85	-	-	1,130.19
Total Liabilities			1,361.62			1,356.58			1,283.77			1,308.28			1,421.52
Capital Expenditure (including capital advances and capital work in progress)			199.97			208.64			215.15			154.60			341.14
Depreciation and Impairment															
On Fixed Assets	-	-	226.72	-	-	220.91	-	-	208.14	-	-	185.04	-	-	159.45
Other Non-cash Adjustments															
Provision for Staff Benefits	-	-	17.10	-	-	10.62	-	-	8.15	-	-	2.51	-	-	8.80

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our consolidated restated financial condition and results of operations in conjunction with the sections entitled "Summary Financial Information" and "Financial Information" on pages 59 and F-1 to F-47, respectively. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 16 and "Our Business" on page 148. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 15. Our consolidated restated financial information has been derived from our audited consolidated financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations. Indian GAAP differs in certain material respects with IFRS and U.S. GAAP.

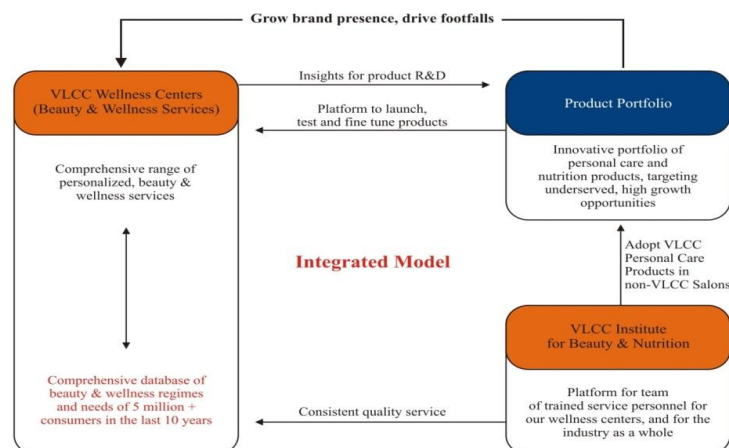
OVERVIEW

Founded by Ms. Vandana Luthra as a beauty and slimming services center in 1989, our Company was incorporated in 1996. We believe that our Company was among the first multi-center corporate operations in the beauty and wellness industry, which was at the time mostly composed of individually-operated, small scale businesses. Over 25 years of operation, the VLCC® brand has grown to receive "Superbrand" status in 2003, 2011 and 2014, and recognition as "India's most trusted wellness brand" in the Trust Research Advisory Survey, 2015.

As of July 31, 2015, we have among the largest scale and breadth of operations within the beauty and wellness services industry in India, serving consumers across 301 locations in 134 cities and across 11 countries in South Asia, South East Asia, the GCC Region and East Africa. We have a comprehensive portfolio of beauty and wellness services, personal care and nutritional products. We are leaders in the Indian beauty and wellness industry by market share in the total organized industry (Source: F&S Report) and we had consolidated revenues of ₹ 8,163.44 million in Fiscal Year 2015, which have grown consistently at CAGR 21.04% between Fiscal Year 2011 and Fiscal Year 2015.

The Indian beauty and wellness industry opportunity is substantial, growing at a CAGR of 18.6% in the next few years and is expected to reach ₹ 803.7 billion by the end of 2017. More than 70% of the beauty and wellness industry is in the unorganized sector, dominated by small market players with limited training and modern technical knowledge. (Source: "Human Resource and Skill Requirements in Beauty and Wellness Sector (2013-17, 2017-22)", prepared by KPMG Advisory Services Private Limited ("KPMG") for the National Skill Development Corporation ("NSDC")) (the "KPMG NSDC Report")

We believe that VLCC's brand recognition with consumers, the scale and breadth of our operations across India and international markets and our bespoke integrated business model are our core competitive advantage which makes our business well positioned for sustained, competitive and profitable growth.



Originally started as a beauty and slimming services business, we have over 25 years of operations and have built a strategic integrated business model with three core business segments: VLCC branded wellness centers ("VLCC Wellness Centers"), vocational education services served by our institutes offering courses in beauty services and nutrition ("VLCC Institutes") and manufacturing, distribution and marketing of VLCC branded personal care products, functional foods and fortified food products ("Personal Care Products").

We estimate that in the last ten years, we have served the beauty and wellness needs of over five million consumers (including repeat consumers), including both women and men. Our integrated business model is empowered by consumer data we have collected from consumers across different demographics, ethnicities and nationalities. We believe that our analysis and interpretation of this exclusive consumer database provides us with a nuanced understanding and insight into the constantly evolving beauty and wellness industry. In addition, we believe our operations in the relatively more developed and competitive markets in South East Asia and the GCC Region provide us with perspective on emerging trends and new technologies in the beauty and wellness industry. We strive to use both our consumer data and our international insight to develop and integrate each of our three business segments to create sustainable growth. A brief overview of our three business segments and how they support growth for each other is set forth below.

Beauty and Wellness Services: VLCC Wellness Centers

Our ambition is to make wellness-driven beauty services accessible to consumers everywhere. As of July 31, 2015, we had 236 VLCC Wellness Centers in 122 cities, across 11 countries, of which 213 wellness centers are under the VLCC brand and the 23 wellness centers in Malaysia are under the *Bizzy Body*[™] and *Facial First*[™] brands. In India, we have the most extensive and widest reach with outlets across majority of states in India. (Source: *F&S Report*) Of our 187 VLCC Wellness Centers in India, 60 are franchisee owned. Our franchised centers are mostly situated in Tier II and Tier III cities, which extend our reach farther and deeper into India. Apart from India, we also operate 49 VLCC Wellness Centers in UAE, Oman, Bahrain, Qatar, Kuwait, Kenya, Sri Lanka, Bangladesh, Nepal and Malaysia. All of these Wellness Centers, with the exception of one Wellness Center in Nepal, are company-owned and operated.

We have consistently endeavored to lead the market by building a comprehensive beauty and wellness services portfolio and by serving a broad spectrum of consumer needs and price points through leveraging our experience, insights from our exclusive consumer database and our international presence. Our offerings include: slimming solutions and entry level routine beauty services; advanced treatments and therapies for hair, skin and body; and high value, expert services such as minimally invasive derma-cosmetic procedures, skin treatments and laser hair removal. We have a diversified services and products portfolio, enabling us to serve consumers with varying sophistication of beauty and wellness needs and varying income levels.

We believe that our broad reach, taken together with our extensive services offerings strategically position us to compete across a wide range of products and services categories against competitors who focus on niches and sub-segments in the beauty and wellness market.

Vocational Education: VLCC Institutes

The lack of training and the resulting lack of a highly skilled workforce is one of the key weaknesses of the beauty and wellness industry. (Source: *KPMG NSDC Report*) Therefore, we opened our VLCC Institutes to teach entry-level and skill enhancement courses in beauty and nutrition. We operate 65 VLCC Institutes, located in 49 cities across India and one in Nepal, of which 23 were franchisee owned (including one in Nepal) as of July 31, 2015. This enables us to create a skilled workforce, which we utilize to provide the quality of service necessary to achieve high customer satisfaction at our wellness centers. We believe this is reflected in the number of repeat customers for our slimming and beauty packages in India, which were 39.99% in Fiscal Year 2015 as compared with 30.75% in Fiscal Year 2013.

While some VLCC Institute graduates join our VLCC Wellness Centers, many other of our graduates go on to work in other salons in the unorganized sector or become entrepreneurs after we have trained them with our VLCC products and procedures, which we believe creates a ready market for our Personal Care Products. We believe this also enables consumers to experience the VLCC brand beyond wellness centers, creating further awareness for our brand.

In addition, we believe our VLCC Institutes extend our mission of transforming lives by helping create employment and entrepreneurial opportunities for women to enable their financial independence. In Fiscal Year 2015, we trained 10,574 students at our VLCC Institutes.

Product Portfolio

We have leveraged our exclusive consumer database, and our insight into evolving beauty and wellness needs to build and grow a diversified product portfolio in-house, through our Subsidiary VLCC Personal Care Limited. Our strategy focuses on building a carefully planned portfolio of innovative and differentiated personal care, nutritional and functional food products, targeting fast growing, underserved market opportunities where competition is limited or fragmented.

We currently market 169 skin care, hair care, body care, functional foods and fortified foods products. We manufacture 158 of these products at our own GMP-certified manufacturing plant in India. Our growing distribution network reaches over 72,000 outlets in India, apart from retail outlets in the overseas markets, primarily in the GCC Region, in addition to third party channels and emerging new channels such as e-commerce and teleshopping, which we are actively pursuing. We also manufacture substantially all the products that we use in-house as consumables in treatments and therapies, or that we retail exclusively through our VLCC Wellness Centres.

Revenue from our Personal Care Products business, which is complementary to our beauty and wellness services business, has grown by 2.63 times in the four years from Fiscal Year 2011 to Fiscal Year 2015, contributing ₹ 2,523.67 million or 31.11% to our consolidated revenue from operations in Fiscal Year 2015.

We believe our strategy, our bespoke integrated business model, and our ability to execute our strategy have translated into a track record of sustained revenue growth, and the capacity to invest for future growth. The table below sets forth our segmental revenue for the years indicated.

Business Segment Revenue	Year ended March 31,			
	2014		2015	
	(₹ million)	(Percentage)	(₹ million)	(Percentage)
Services:				
VLCC Wellness Centers - India	2,529.16	35.67%	2,628.16	32.41%
VLCC Wellness Centers - International	2,381.18	33.59%	2,585.43	31.88%
VLCC Institutes	297.76	4.20%	373.09	4.60%
Products: *				
Personal Care Products	1,881.56	26.54%	2,523.67	31.11%
Total Revenue from Operations	7,089.65	100.00%	8,110.35	100.00%
* Products:				
Sale of products	1,877.38	26.48%	2,513.57	30.99%
Other operating revenue (for products)	4.18	0.06%	10.10	0.12%
Personal Care Products	1,881.56	26.54%	2,523.67	31.11%

Key factors affecting our results of operations

Our financial condition and results of operations have been, and are expected to be, influenced by numerous factors, including but not limited to those described below. These are expected to affect the overall growth prospects of our Company and our ability to implement our strategies.

Transition from an India-based services-centric business to a multi-national services and products business

Our recent business strategy has focused on transitioning our business from a wellness services business focused on India to a business with a strong, diversified mix of revenue from both services and products in India and international markets that we believe have attractive growth opportunity. The consolidated revenue contribution from our Personal Care Products business has grown from 25.05% in Fiscal Year 2013 to 31.11% in Fiscal Year 2015. In addition, the consolidated revenue contribution from sale of services and products outside of India has grown from 34.22% to 40.09% during the same period. This strategic diversification of our business segments has

helped us to diversify revenue streams and reduce reliance on any one business segment. This diversification has been achieved through our strategy to grow organically as well as inorganically in select, yet primarily contiguous, markets to India.

Since the beginning of Fiscal Year 2013, we have established our operations in the following new countries:

- Malaysia – where we grew our presence with a total of 23 new wellness centers through our acquisition of a majority share in Wyann International (M) Sdn Bhd (“Wyann”) in Fiscal Year 2013;
- Singapore –where in Fiscal Year 2014, we acquired a majority share in Global Vantage Innovative Group Pte Ltd (“GVig”), which manufactures and sells premium skin care products in South East Asia. This increased our distribution network and added premium Personal Care products to our portfolio;
- Kuwait – where we opened our first VLCC Wellness Center in the country in Fiscal Year 2015; and
- Kenya – where we opened our first Wellness Center in the country, in Nairobi, in Fiscal Year 2015 through our 70% stake in a joint venture with an established business house in East Africa; and
- Saudi Arabia – where we launched our Personal Care Products, in Fiscal Year 2013.
In Fiscal Year 2015, we made higher investments in marketing and sales promotion for our Personal Care

Products business and incurred one-off expenses in connection with our acquisitions in Malaysia and Singapore. We expect these investments will lead to improved margins in the short to medium term as a result of (i) the full integration of our recent acquisitions; (ii) achieving economies of scale for our Personal Care Products business; (iii) the opening of new VLCC Wellness Centers in our existing markets; (iv) the introduction of new services and products; and (v) taking advantage of our low operating leverage with the addition of new outlets as well as improved brand awareness for our products in India and in the GCC Region. See “*Our Business – Strategies*” on page 156.

Addition of new Wellness Centers and launch of new products and services

As of April 1, 2012, our Company had 222 outlets (including VLCC Wellness Centers and VLCC Institutes) in India and in the overseas market. We have since added 79 outlets, bringing the total number of outlets to 301 as on July 31, 2015. The growth in the number of VLCC Wellness Centers in India during this period was led largely by the addition of outlets in Metro cities we already operate in as well as addition of franchisee owned and managed outlets in Tier II and Tier III cities. Our growth outside of India has been both inorganic, through our acquisition of 19 wellness centers in Malaysia in connection with our acquisition of Wyann, as well as organic, with the addition of four new VLCC Wellness Centers in Malaysia, one in each of Kuwait, Kenya and Bangladesh as well as three in Qatar. During the same period, within India we added 25 Company-owned outlets, including outlets that were relocated during this period, and 44 franchisee-owned Wellness Centers, respectively. In addition, we also opened 18 VLCC Institutes through franchises and through government sponsored schemes. While the addition of Company-owned and managed outlets has helped us grow our revenues directly, the opening of franchisee-owned outlets has helped us in keeping our costs low and improving our margins.

The location of our VLCC Wellness Centers is a key factor for our success and we generally seek locations with high visibility and foot traffic. Identifying such locations is an important factor in our expansion plan and therefore, we have a team dedicated to site selection and finalization that is separate from our city-level and regional-level operations teams.

We plan to maintain a balance of Company owned and franchisee owned outlets. Our strategy for the near future is to open Company owned VLCC Wellness Centers in the Metropolitan cities and Tier I cities while opening franchisee owned outlets primarily in Tier II and Tier III cities. In our international markets, except for Nepal, we have expanded our operations exclusively through opening of Company owned VLCC Wellness Centers. In the future, we will endeavour to continue our expansion in the international markets through a mix of Company owned and franchisee owned outlets. In addition, we believe that consistent delivery of quality service and the introduction of new services at our VLCC Wellness Centers are among the key drivers to achieve higher same store sales growth,

specifically in the context of maximising sales from the service delivery infrastructure that we already have in place. Consequently, in the last three years we have focused on the introduction of new and premium services, such as dermal cosmetology based anti-aging solutions and laser based hair and skin treatments, from our existing VLCC Wellness Centres with no or minimal change in delivery format and infrastructure. We have also recently launched DNA-based slimming and skin solutions, which we believe will further serve to strengthen our differentiation in the consumer mind-space. See *"Our business – Strategies – Drive loyalty and higher share of spending from high potential customer segments by leveraging technology, while growing service margins and profitability"* on page 157 and *"Our business – Description of operations – Research and development"* on page 171.

Our ability to anticipate changes in consumer preferences and to successfully develop new products and services to cater to these preferences has also helped us grow our revenues. We believe integrated business model with strong research and development capabilities helps us capture consumer insights that in turn assist us in developing technological advancements. We believe our strategy for development of new products and services benefits strongly from the use of regular feedback for our service packages and products used at our existing network of VLCC Wellness Centers. For example, our *VLCC Shape Up™* line of body shaping oils and gels and *VLCC Slimmer's™* range of functional/fortified foods are outcomes of these efforts and despite their relatively short track record, we believe the introduction of these products has generated significant word of mouth referrals and increased our consumer base. We have launched new products every year in our Personal Care Products category, some of which have been variants of existing products to meet consumers' evolving or specific needs. We believe that our ability to develop our products based on the insight gained from our VLCC Wellness Centers, where we test and evaluate our products with consumers before formally launching them in the retail markets, has helped us grow our products business.

Our ability to respond to changing consumer tastes and trends and launch new products and services is important to our revenue and profit. However, we cannot assure you that any new products or services we introduce will be as successful as those we introduced previously nor can we ascertain their continual appeal to consumers. See *"Risk factors — Internal risks — Risks related to our business — We may fail to anticipate or respond to changes in consumer preferences in a timely manner, which could have a material adverse effect on our business, financial condition and results of operations."* on page 25.

Investments in brand building for our Personal Care Products business

We believe there are significant growth opportunities for our Personal Care Products offerings. We, therefore, seek to make continuous investments in enhancing our brand presence, visibility and recognition in geographies where we currently operate or intend to expand in the future, as well as by diversifying the VLCC brand in the minds of consumers beyond its historic association with slimming products. We have also invested, and in the short term we intend to continue to invest in additional advertisement and sales promotion expenses which may affect our profitability and results of operations. See *"Our Business — Strategies — Accelerate growth of the products business"* on page 156. Our advertisement and sales promotion expenditure at consolidated level for Fiscal Years 2013, 2014 and 2015 was ₹ 706.44 million, ₹ 870.09 million and ₹ 1,201.28 million, respectively.

Revenue from our sales of Personal Care Products constituted 31.11% of our total consolidated revenue in Fiscal Year 2015. The growth in our revenues from our Personal Care Products business has been supported by corresponding efforts in our sales and marketing initiatives for this segment. The advertisement and sales promotion for our Personal Care Products business in India, operated under our subsidiary, VLCC Personal Care Limited, during Fiscal Year 2015, was 24.22% of our sales of VLCC Personal Care Limited. Our marketing efforts include mass communications over various media including television, print, radio, cinema and the internet as well as by way of discounts and other schemes as well as sponsorships to promote the sales of our Personal Care Products. We also sell our Personal Care Products through a variety of popular retail channels to enhance our brand visibility and outreach to consumers and by continuously adding sales channels to our mix. For example, we now also sell our Personal Care Products through tele-shopping channels.

We have also invested significantly in advertising and sales promotion in connection with our international expansion, particularly in Kingdom of Saudi Arabia, which we believe represents the largest consumer market in the GCC Region. We believe the Kingdom of Saudi Arabia is a market that requires significant investment to build

brand awareness for our Personal Care Products. In Fiscal Year 2015, we invested ₹ 194.19 million in advertising and sales promotion in the GCC Region to build brand awareness for our Personal Care Products.

Effects of competition

We believe the Indian wellness market is undergoing a period of significant structural change, characterized by the entry into the market with a large number of independent players offering simple beauty and fitness services, as well as increasing wellness information that is widely available, which has increased our competition at the low end of the market segment. In addition, we may face some competition from low-cost producers who sell their products exclusively through e-commerce channels and we face potential competition from online aggregators of low-cost independent players. We believe consumers are highly conscious of the proximity of the store and cost of the services to attain the desired benefit and outcome when choosing service providers. Our strategy therefore includes leveraging our integrated business model to attract more customers at the high end of the market and cater to their needs by providing a comprehensive offering of regular beauty salon services as well as high-end slimming and beauty treatment packages. See *“Our business – Strategies – Drive loyalty and higher share of spending from high potential customer segments by leveraging technology, while growing service margins and profitability”* on page 157. We have also invested, and will continue to invest in innovative marketing channels to broaden our reach to potential customers.

Employee benefits expenses

Employee benefits expense is a major component of our total expenses because our wellness services, which rely heavily upon manual labor from our employees, comprise the majority of our business offering. As we plan to increase the contribution of Personal Care Products to our sales mix, this may affect our employee benefits expense. See *“Our Business — Strategies — Accelerate growth of the products business”* on page 156. Our employee benefits expense for Fiscal Years 2013, 2014 and 2015 was ₹ 1,369.80 million, ₹ 1,755.70 million and ₹ 1,955.49 million, respectively. Although our employee benefits expense has increased during this period, the increase in our employee benefits expense as a percentage of revenue has been more moderate at 22.85%, 24.76% and 24.60% for Fiscal Years 2013, 2014 and 2015, respectively. The increase in our employee benefits expense was primarily due to the addition of headcount as a result of opening of new outlets, our acquisition of businesses in Malaysia and Singapore, our expansion of sales force for our Personal Care Products business and additions to our management team. We have been able to partially offset the increase in employee benefits expense by the growth of our Personal Care Products business and cross-selling and up-selling of our higher value services, which led to an increase in ticket size for our services. As a result of the investment we have made to our existing management team, we expect that addition of new outlets in cities and international markets in which we operate will not result in a significant increase of manpower requirement at senior levels.

Other key factors affecting our results of operations

Effects of tax benefits

Our manufacturing plant for Personal Care Products in India enjoys location-based tax incentives, with excise duty fully exempted until August 24, 2019 and an income tax exemption, which was a 100% exemption until Fiscal Year 2014 and a 30% exemption of our income from taxation from Fiscal Year 2015 to Fiscal Year 2019. See *“Risk Factors — Changes in our tax status or loss of tax benefits which our Company currently enjoys may have a material adverse effect on our business, financial condition and results of operations.”* on page 39.

A substantial portion of our overseas business is located in the GCC Region, in which low or no income tax is levied. We also have a mix of income from other business segments and geographies which are tax exempt or taxed at lower rates, providing us with a relatively low effective tax rate on a consolidated basis. Our tax expense as a percentage of profit after exceptional items and before tax for Fiscal Year 2013, 2014 and 2015 was 6.12%, 11.61% and 30.22%, respectively. See *“— Results of operations — Financial year 2015 compared with financial year 2014 — Tax expense”* on page 252 and *“— Results of operations — Financial year 2014 compared with financial year 2013 — Tax expense”* on page 255. We expect that our anticipated profit margin growth in connection with our international expansion will improve our tax expense ratio, and consequently lead to growth in our cash flows from operations. For Fiscal Year 2015, our revenue contribution from VLCC Personal Care Limited in India and from

business in the GCC Region was 24.74% and 29.78%, respectively. Both these businesses enjoy reduced or no income tax. We believe the tax benefits available to our subsidiary companies, which comprise 54.52% of our total consolidated revenue, gives us an advantage to retain a part of our profits to invest in our future growth.

The Government as part of its Union Budget for Fiscal Year 2016 announced that it will reduce India's corporate tax rate from 30% to 25% over the next four years. The Government stated that the corporate tax rate cut will be accompanied by the removal of certain exemptions and benefits available to companies in a phased manner from Fiscal Year 2017. We cannot assure you that there will be no changes in our tax status or loss of tax benefits which our Company currently enjoys. See "*Risk factors — Internal risks — Risks related to our business — We may fail to anticipate or respond to changes in consumer preferences in a timely manner, which could have a material adverse effect on our business, financial condition and results of operations*" on page 25.

Economic conditions

As a company with a significant portion of our operations in India, our financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. With a population of approximately 1.24 billion as of July 2014, India currently ranks as the world's second most populous country, and in 2014, the Indian economy was the tenth largest in the world with nominal GDP of US\$ 2,048 billion at market exchange rates (and the fourth largest economy in the world after adjusting for purchasing power parity). According to estimates on national income by the Central Statistical Organisation ("CSO"), India had a GDP growth of 8.5% in Fiscal Year 2010, 10.3% in Fiscal Year 2011, 6.6% in Fiscal Year 2012, 5.1% in Fiscal Year 2013, 6.9% in Fiscal Year 2014 and is expected to have a growth of 7.3% in Fiscal Year 2015. In Fiscal Year 2015, the agricultural sector is expected to grow by 0.2%, services sector by 10.2% and industry by 6.1% according to CSO.

India's GDP growth in the past few years has been at a single-digit range, although reform initiatives in India have led to some improvements in its economic activity and the GDP in Fiscal Year 2015. We believe that the improvement in the Indian economy and general market sentiment, in addition to an approximately 25-30% likely growth in the beauty and wellness industry for organized market participants, (*Source: F&S Report*) will have a positive impact on our business and operations.

Rising income levels of the population with high disposable income has resulted in boom in the beauty and wellness industry in the GCC Region (*Source: F & S Report*).

Exchange rates

We present our consolidated financial statements in Indian Rupee. As a result, we must translate the assets, liabilities, revenue and expenses of all of our operations with a functional currency other than Indian Rupee, including the UAE Dirham, Qatari Riyal, Bahraini Dinar, Malaysian Ringgit, Singapore Dollar, Omani Rial, Kuwaiti Dinar, Kenyan Schilling, Sri Lankan Rupee and Bangladeshi Taka, into Indian Rupee at then applicable exchange rates. These translations could significantly affect the comparability of our results between financial periods and/or result in significant changes to the carrying value of our assets, liabilities and stockholders' equity. We record the effects of these translations in our consolidated balance sheet as exchange differences on retranslation of foreign operations.

As a result of our operations in various countries, we generate a portion of our sales and incur a significant portion of our expenses in currencies other than the Indian Rupee, including the UAE Dirham, Qatari Riyal, Bahraini Dinar, Malaysian Ringgit, Singapore Dollar, Omani Rial, Kuwaiti Dinar, Kenyan Schilling, Sri Lankan Rupee and Bangladeshi Taka. Typically, our costs and the corresponding sales are denominated in the same currency. Occasionally, however, we are unable to match sales received in foreign currencies with costs paid in the same currency, and our results of operations are consequently impacted by currency exchange rate fluctuations. Some of the raw materials we require for our Personal Care Products packaging are imported into India and are payable by us in seven to ten days after the receipt of goods. Similarly, we also export products out of India that are payable in U.S. dollars. These imports and exports are not significant relative to our overall purchases and sales in India and accordingly, we have in the past not taken any steps to mitigate the effect of exchange rate fluctuations.

Seasonality and other factors affecting quarterly performance

In India, we typically experience increased sales in the third and fourth quarter of a fiscal year due to festivals and wedding seasons. In addition, we tend to have significantly lower sales during the Ramadan period in the Gulf region, Malaysia and Bangladesh during the first or second quarter of a fiscal year. Our Personal Care Products experience increased sales in the second half of a fiscal year due to colder temperatures whereas our sales for sun care products increase in March. In addition, our business results vary depending on our marketing efforts, which include our end-of-Fiscal promotional events when our products and services are bundled or sold under various marketing schemes including at a discount. In connection with this peak season resulting from our promotional events, we increase our brand investment and source additional products.

Key performance indicators

VLCC Wellness Centers – India

The table below sets forth the number of our consumers for packages and beauty services and the average ticket size of the products or services at our VLCC Wellness Centers in India for the past three Fiscal Years:

	Year ended March 31,		
	2013	2014	2015
Sales collection break-up			
Packages (slimming and beauty)	75.51%	76.35%	75.98%
Beauty services (single session)	19.81%	18.78%	17.84%
Sales of products from wellness centers.....	4.68%	4.87%	6.18%
Number of consumers			
Package treatments (slimming and beauty)	105,185	101,724	86,446
Single-session beauty services	355,086	328,970	291,338
Average ticket size (₹)			
Package treatments (slimming and beauty)	18,100	19,958	24,537
Single-session beauty services	1,407	1,518	1,709
Income from franchisee as % of total revenue of Wellness Centers in India.....	1.85%	1.76%	2.08%

The market for Beauty and Wellness services in India is highly fragmented and largely in the unorganized sector at the lower and middle end. As part of our long-term strategy to attract and retain high-spending customers, we have been focusing our efforts on offering consumers premium treatments, such as dermal cosmetology solutions and laser hair removal. This has resulted in a significant increase in our average ticket size, though our overall number of consumers has dropped in the short term as we realign our service offerings mix to focus on high-end services. We believe that our strategy is proving to be successful, evidence of which is the growth in revenue contribution from consumers spending more than ₹ 50,000 per package, from 36.65% in Fiscal Year 2014 to 45.81% in Fiscal Year 2015, coupled with an increase in the number of consumers in this demographic. This move also helped us to improve same store sales growth from 4.11% in Fiscal Year 2014 to 5.60% in Fiscal Year 2015 on a sales collection basis. The same store sales growth in Fiscal Year 2013 was 6.46%. There has also been an increase in the number of repeat customers. During Fiscal Year 2015, 39.99% of our consumers comprised repeat consumers for beauty and slimming packages.

VLCC Wellness Centers – International

The revenue from our VLCC Wellness Centers in the GCC Region comprised 78.86% of our total revenue from our international VLCC Wellness Centers for Fiscal Year 2015. Our revenue from our VLCC Wellness Centers in Malaysia, Bangladesh, Sri Lanka and Kenya was 16.64%, 3.03%, 0.89% and 0.58%, respectively, for Fiscal Year 2015. The table below presents the number of our consumers for packages and beauty services and the average ticket size of the products or services at our VLCC Wellness Centers in the GCC Region for the past three Fiscal Years:

Wellness Centers – GCC Region

	Year ended March 31,		
	2013	2014	2015
Sales collection break-up			
Packages (slimming and beauty)	90.21%	90.84%	89.55%
Beauty services (single session)	5.52%	5.32%	6.33%
Sales of products from wellness centers.....	4.26%	3.84%	4.12%
Number of consumers			
Package treatments (slimming and beauty)	24,135	24,946	28,317
Single-session beauty services	28,863	29,675	30,530
Average ticket size (in AED)			
Package treatments (slimming and beauty)	4,370	4,578	3,998
Single-session beauty services	224	225	262

Our recent same store sales growth in the GCC Region has been impacted due to an economic slowdown in Bahrain as a result of political instability in the region. The same store sales growth in Qatar has been impacted as a result of the high level of initial performance of the first VLCC Wellness Center opened in Doha. The same store sales growth on a sales collection basis for all VLCC Wellness Centers internationally, on collection basis on constant currency, was 17.03%, 10.64% and 4.66% in Fiscal Years 2013, 2014 and 2015, respectively. We believe that there is an opportunity to further capitalize on our strong and established presence on the back of the rising number of customers for our slimming and beauty packages, which grew by 13.51% in Fiscal Year 2015 over the previous Fiscal Year. Additionally, our repeat customers for packages (slimming and beauty) in the GCC Region grew from 19.40% in Fiscal Year 2013 to 27.81% in Fiscal Year 2015.

We believe that there is significant opportunity to capitalize on high-end services in the GCC Region given increasing obesity levels and high per capita income in the region. We further believe that expanding into high-end services will improve our capacity utilization and operating margins. The consumers of our services in the GCC Region now are largely local and expatriate Arabs, followed by Asian consumers, demonstrating the brand acceptance that the VLCC brand has gained in demographics outside of the Indian diaspora in the GCC Region.

We have expanded our presence in Malaysia since our acquisition of Wyann in Fiscal Year 2013, increasing the number of our Wellness Centers from 19 to 23 centers as of July 31, 2015. We have integrated our operations with Wyann and achieved same store sales growth of 6.49% and 10.84% on collection basis for Fiscal Year 2014 and 2015, respectively.

VLCC Institutes

As of July 31, 2015, we operated 65 VLCC Institutes, comprising 64 institutes across India and one in Nepal, of which 42 were Company-run, including five in tie-up with various government sponsored schemes and 22 were franchises. We trained 10,574 students in Fiscal Year 2015 at VLCC Institutes, compared to 9,989 students in Fiscal Year 2014. Revenue from our VLCC Institutes comprised 4.60% of our total revenue during Fiscal Year 2015. In Fiscal Year 2013, 2014 and 2015, we had same store sales growth of 10.82%, 4.72% and 17.74%, on a sales collection basis respectively, for our Company-owned and managed VLCC Institutes. We believe our VLCC Institutes provide significant cross-selling opportunities, as we are a major supplier of trained personnel in the Indian beauty industry and we train our graduates with VLCC branded Personal Care Products. We offer entry level, skills enhancement and nutrition courses.

Our VLCC Institutes train personnel with VLCC products and procedures who go on to work in the unaffiliated sector or become entrepreneurs, which we believe creates a ready market for our Personal Care Products.

Personal Care Products

Our Personal Care Products are sold through various channels including international retail outlets, neighborhood retailers, professional salons, third-party online channels, teleshopping and direct sales to institutional clients. The following table sets forth our Personal Care Products sales by VLCC Personal Care Limited, broken down by distribution channel for the periods indicated.

Channel wise sales	Year ended March 31,		Growth %	% of sales in Fiscal Year 2015
	2014	2015		
	(₹ million)			
Sales to other than Group Domestic				
Retail	1,008.92	1,309.16	29.76%	65.58%
E-Retail.....	119.76	220.05	83.74%	11.02%
Institutional.....	41.93	78.54	87.29%	3.93%
Professional salons	20.66	39.44	90.93%	1.98%
Franchise centers	16.79	18.17	8.19%	0.91%
Export sales	181.02	174.22	(3.76%)	8.73%
Sales to Subsidiaries				
- for consumption	35.29	46.83	32.69%	2.35%
- for retail from Wellness Centers.....	98.42	109.99	11.76%	5.51%
Total.....	1,522.80	1,996.40	31.10%	100.00%

Critical accounting policies

Our principal critical accounting policies are set forth below.

Revenue recognition

Income from services

Revenue from fees received from consumers for beauty and slimming packages is recognized on a pro rata basis over the period of the package after attributing revenue to services rendered on enrollment. Fees related to unexecuted period of the packages are recorded as “advances from customers” as per the terms of the specific contracts.

Revenue from regular beauty sales is recognized when services are provided to consumers.

Revenue in respect of tuition fees received from students is recognized over the period of the course after attributing revenue to services rendered on enrollment. Fees are recorded at invoice value, net of discounts, if any.

Revenue in respect of non-refundable lump sum fees received from the franchisees is recognized on execution of the relevant franchise agreement. Revenue in respect of non-refundable lump sum fees received from certain legacy collaborators is recognized over a period of five years.

Revenue in respect of royalties received from the franchisees is recognized on accrual basis at the end of each month in accordance with terms of their respective agreements.

Sale of goods

Revenue from sale of goods comprises sales of Personal Care Products and is recognized as goods are despatched to the customers from the factory, warehouses of consignment agents and upon endorsement of title of the goods,

which generally coincides with their delivery. Revenue from sale of Personal Care Products at retail outlets is recognized on delivery of products to the customers. Revenue on sale of goods to overseas customers is recognized on the goods being shipped. Sales are recorded at invoice value, net of sales tax, trade discount and sales returns.

Revenue associated with barter agreements are recognized when goods are dispatched to customers from the factory, warehouses or godowns (warehouses) of carrying and forwarding agents and upon endorsement of title to the goods. Merchandise or services received from exchanged goods are charged to expense when used/availed.

Depreciation and amortisation

Depreciation on all tangible fixed assets, except leasehold improvements, is provided on the straight line method over the estimated useful life of the assets at rates specified in Schedule II to the Companies Act, 2013. In case of foreign subsidiaries, depreciation on fixed assets is provided on the straight line method over the estimated useful life of the assets at rates which are higher than the rates specified in Schedule II to the Companies Act, 2013. The depreciation rates used by the foreign subsidiaries are as follows:

<i>Category of fixed assets</i>	<i>Rates of depreciation</i>
Leasehold improvements	11.11%
Office equipment	10.00%
Computers	25.00%
Furniture and fixtures	14.29%
Vehicles	25.00%

Premium paid on leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the period of lease, including the optional period of lease.

Depreciation on addition of fixed assets is provided on a pro rata basis from the date the assets are acquired/installed. Depreciation on sale or deduction of fixed assets is provided for up to the date of sale, deduction or disposal as the case may be.

All assets costing ₹ 5,000 or below are depreciated in full on a pro rata basis from the date of their acquisition.

Intangible assets are amortized over their estimated useful life as follows:

- Goodwill and Brand – 10 years
- Trade Marks – 10 years
- Computer software – 6 years

The estimated useful life of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

Goodwill

The excess of our cost of investments in the Subsidiaries / jointly controlled entity over its share of equity of the Subsidiaries / jointly controlled entity, at the dates on which the investments in the Subsidiaries / jointly controlled entity were made, is recognized as “Goodwill” being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the Subsidiaries / jointly controlled entity as on the date of investment is in excess of our cost of investments, it is recognized as “Capital Reserve” and shown under “Reserves & Surplus,” in the consolidated financial statements. The “Goodwill” / “Capital Reserve” is determined separately for each Subsidiary / jointly controlled entity and such amounts are not set off between different entities.

Goodwill arising on consolidation is not amortized but tested for impairment.

Goodwill has been recorded to the extent the cost of acquisition comprising purchase consideration and transaction costs exceed the book value of the net assets in the acquired company.

Description of key income statement line items

Below is a summary description of the key elements of the line items of our income statement.

Revenue from operations

Our revenue from operations consists of our gross sale of services and products and other operating revenue.

Our revenue from sale of services consists of an integrated portfolio of slimming, beauty and wellness services through our network of VLCC Wellness Centers internationally as well as tuition fees received from students at our VLCC Institutes. Sales of services sold to consumers at VLCC Wellness Centers include multi-visit packages for slimming and beauty services as well as one-session based beauty services. Sale of services also includes our franchisee sign up fees and royalty income from our franchisees.

Our revenue from sales of products includes sales of our Personal Care Products in the skin-care, hair-care and body-care categories that we manufacture in India under our VLCC brand, as well as sales of products manufactured in Singapore under the *Bellewave*™, *SkinMtx*™ and *Enavose*™ brands and sales to salons from Singapore under their own brands through various channels such as sales through retail counters, institutional sales, e-commerce, sales from VLCC Wellness Centers and VLCC Institutes and exports of products.

Our other operating income includes certain benefits and incentives we receive on exports of our products.

Other income

Other income includes interest income from deposits with banks, liabilities written back which do not require provisions, miscellaneous income, gains on sales of mutual funds, gains on foreign currency translation, sale of assets to franchisee, profits on sale of fixed assets and provision for doubtful debts and advances written back.

Expenses

Expenses includes, among others, cost of materials consumed, cost of goods sold, employee benefits expense such as salaries and wages paid to our employees, contributions to provident and other funds and incentives and commission paid to employees, lease rental expense, advertisement and sales promotion expenses, other administrative expenses and depreciation and amortization expense.

Finance cost

Finance cost includes interest cost of borrowing, bank charges and credit card charges.

Exceptional items

Exceptional items includes amounts due from a subsidiary written off, certain one-off expenses incurred in connection with our acquisition of Wyann and the settlement of a litigation claim against one of our subsidiaries.

Tax expense

Tax expense includes taxes paid on income, minimum alternate tax paid on booked profits and deferred tax charge (credit).

Results of operations

The following table sets out our financial data from our consolidated restated financial information for each of the periods indicated and its components expressed as a percentage of the total revenue for such periods.

	Year ended March 31,					
	2013		2014		2015	
Revenues	(₹million)	(% of total revenue)	(₹ million)	(% of total revenue)	(₹ million)	(% of total revenue)
Revenue from operations:						
Sale of products	1,500.35	24.84%	1,877.38	26.33%	2,513.57	30.79%
Sale of services	4,492.80	74.38%	5,208.09	73.06%	5,586.68	68.44%
Other operating revenues	1.13	0.02%	4.18	0.06%	10.10	0.12%
Revenue from operations	5,994.28	99.24%	7,089.65	99.45%	8,110.35	99.35%
Other income	46.18	0.76%	39.37	0.55%	53.09	0.65%
Total revenues	6,040.46	100.00%	7,129.02	100.00%	8,163.44	100.00%
Expenses						
Cost of materials consumed	1,022.72	16.93%	1,087.65	15.26%	1,291.80	15.82%
Purchase of stock-in-trade	50.44	0.84%	67.48	0.95%	77.85	0.95%
Changes in inventories of stock-in-trade	(74.58)	(1.23)%	(40.69)	(0.57)%	(59.59)	(0.73)%
Employee benefits expense	1,369.80	22.68%	1,755.70	24.63%	1,995.49	24.44%
Advertisement and sales promotion exp.	706.44	11.70%	870.09	12.20%	1,201.28	14.72%
Rentals	598.57	9.91%	706.59	9.91%	726.35	8.90%
Other expenses	1,360.35	22.52%	1,584.85	22.23%	1,813.36	22.21%
Finance Cost	181.00	3.00%	199.38	2.80%	196.94	2.41%
Depreciation and amortization expense	437.96	7.25%	568.65	7.98%	630.50	7.72%
Total expenses	5,652.70		6,799.70		7,873.98	
Profit before income tax and exceptional items	387.76	6.42%	329.32	4.62%	289.46	3.55%
Exceptional item	8.94	0.15%	—	0.00%	0.00	0.00%
Tax expense	23.18	0.38%	38.25	0.54%	87.48	1.07%
Profit for the year	355.64	5.89%	291.07	4.08%	201.98	2.47%
Profits for the year, after minority interest	355.48	5.88%	288.72	4.05%	205.30	2.51%

Financial year 2015 compared with financial year 2014

Consolidated Revenue

The following table sets forth our revenue by segment for the years indicated.

	Year ended March 31,					
	2014		2015		% revenue increase	
Segment revenue	(₹ million)	% of total	(₹ million)	% of total		
Sale of products	1,877.38	26.33%	2,513.57	30.79%	33.89%	
Sale of services	5,208.09	73.05%	5,586.68	68.44%	7.27%	
Other operating revenue	4.18	0.06%	10.10	0.12%	141.63%	
Total revenue from operations...	7,089.65	99.45%	8,110.35	99.35%	14.40%	
Other income	39.37	0.55%	53.09	0.65%	34.85%	
Total consolidated revenue	7,129.02	100.0%	8,163.44	100.0%	14.51%	

Revenue from operations

Our revenue from operations increased by 14.40% from ₹ 7,089.65 million in Fiscal Year 2014 to ₹ 8,110.35 million in Fiscal Year 2015, which was driven primarily by (i) an increase in Personal Care Products sales as a result of our strategy to increase the revenue contribution from our Personal Care Products, (ii) an increase in our customer base

purchasing high value services at VLCC Wellness Centers, both as a result of our introduction of new high value services during the year as well as to a relative lack of competition at the high end of the market in India and (iii) the addition of new outlets in India and overseas market. See the section entitled “*Our Business — Strategies*” on page 156.

Revenue from sales of Personal Care Products was ₹ 2,513.57 million in Fiscal Year 2015, which was a 33.89% increase from ₹ 1,877.38 million in Fiscal Year 2014. The increase was primarily due to growth in retail demand for our products in India. This increase, together with our significant marketing efforts, largely contributed to the increase in sales per retail counter as well as market share gains for our products in strategic categories of facial kits, body shaping products, sun care and other skin care products. The increase also reflected the full year effect of our integration of our GVig acquisition, which we began consolidating in the second quarter of Fiscal Year 2014, and resulting increased sales and usage of GVig products from VLCC Wellness Centers.

Revenue from sales of services at our VLCC Wellness Centers and VLCC Institutes was ₹ 5,586.68 million in Fiscal Year 2015, which was a 7.27% increase from ₹ 5,208.09 million in Fiscal Year 2014. The sale of beauty and slimming services to consumers increased in Fiscal Year 2015 largely due to an increase in the number of new consumers for premium, high-value wellness services, as well as to repeat business from existing consumers and the opening of new VLCC Wellness Centers in India and overseas. These also include revenue from franchisee of ₹ 66.20 million in Fiscal Year 2015 compared with ₹ 52.31 million in Fiscal Year 2014, for our VLCC Wellness Centers and VLCC Institutes.

Other operating revenue was ₹ 10.10 million in Fiscal Year 2015, which was a significant increase from ₹ 4.18 million in Fiscal Year 2014. Other operating revenue consists of incentives on exports of products out of India in the form of duty draw back and credit from the Government's "Focus Product Scheme".

Other income

Our other income was ₹ 53.09 million in Fiscal Year 2015, which was an increase of 34.85% from ₹ 39.37 million in Fiscal Year 2014. The increase in mainly due to a write back of provisions/liabilities for which provisions were no longer required and for a claim receivable from an insurance company. Other income also included interest income of ₹ 1.08 million in Fiscal Year 2015 compared to ₹ 1.00 million in Fiscal Year 2014.

Cost of materials consumed

Cost of materials consumed in Fiscal Year 2015 was ₹ 1,291.80 million, which was an increase of 18.77% from ₹ 1,087.65 million in Fiscal Year 2014. However, as a percentage of total revenue, the cost of materials consumed increased only from 15.26% in Fiscal Year 2014 to 15.82% in Fiscal Year 2015. The increase was due primarily to increased packaging materials costs in Fiscal Year 2015 as a result of our use of better quality packaging and due to the use of high cost consumables resulting from higher sales of dermatological and laser services.

Purchases of stock-in-trade

Purchases of stock-in-trade in Fiscal Year 2015 was ₹ 77.85 million, which was an increase of 15.37% from ₹ 67.48 million in Fiscal Year 2014. The increase was due to our focus on the launch of our wellness fortified food products with potential for growth in Fiscal Year 2015 including Slimmer's muesli, Slimmer's tea and Slimmer's stevia.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade in Fiscal Year 2015 was an increase of ₹ 59.59 million, as against increase in stock-in-trade of ₹ 40.69 million in Fiscal Year 2014, which was in line with our growth of products business and corresponding need to keep stock to meet the market requirements.

Employee benefits expense

Employee benefits expense in Fiscal Year 2015 was ₹ 1,995.49 million, which was an increase of 13.66% from ₹

1,755.70 million in Fiscal Year 2014, which was due primarily to increased headcount in connection with our expansion strategy, together with annual salary increases. However, employee benefits expense as a percentage of total revenue decreased marginally from 24.63% in Fiscal Year 2014 to 24.44% in Fiscal Year 2015 primarily due to productivity improvements resulting from training programs to increase employee skill levels and the increase in providing higher value services at our Wellness Centers.

Other expenses

Our other expenses include advertisement and sales promotion expenses, rental expense and other administration expense.

Advertisement and sales promotion expenses

Advertisement and sales promotion expenses was ₹ 1,201.28 million in Fiscal Year 2015, which was an increase of 38.06% from ₹ 870.09 million in Fiscal Year 2014 as a result of our investment in our Personal Care Products business as described in more detail above in “— Key factors affecting our results of operations— Transition from service-centric business in India to an multi-national services and products business” on page 240. Advertisement and sales promotion expenses as a percentage of total revenue increased from 12.20% in Fiscal Year 2014 to 14.72% in Fiscal Year 2015, the benefits of such investment of advertisement and sales promotion expenses, we believe would help the company in a short to medium term.

Rental expense

Rental expense was ₹ 726.35 million in Fiscal Year 2015, which was only an 2.80% increase from ₹ 706.59 million in Fiscal Year 2014 as a result of our negotiation of our lease rental for outlets in India as well as outside of India. Rental expense as a percentage of total revenue decreased from 9.91% in Fiscal Year 2014 to 8.90% in Fiscal Year 2015.

Other administration expense

Other administrative expenses consists of expenses such as traveling expense, electricity and water expense, legal and professional expense, incentives on sales, security expenses and other related administrative expenses. Other administrative expenses, other than advertisement and sales promotion expenses and lease rentals, were ₹ 1,813.36 million in Fiscal Year 2015, which was an increase of 14.42% from ₹ 1,584.85 million in Fiscal Year 2014, primarily due to our expansion strategy. However, these other administrative expenses as a percentage of total revenue decreased marginally from 22.23% in Fiscal Year 2014 to 22.21% in Fiscal Year 2015.

Finance costs

Our finance costs consist of interest on borrowing, other interest and credit card charges, and were ₹ 196.94 million in Fiscal Year 2015, which was a decrease of 1.22% or ₹ 2.44 million, from ₹ 199.38 million in Fiscal Year 2014, which was due primarily to our negotiation of our interest rates with our banks as a result of the improvement in our credit rating by Investment Information and Credit Rating Agency Ltd. during Fiscal Year 2015, as a result of lower rates of interest for loans taken in our overseas subsidiaries as well as a reduction in overall borrowings.

Depreciation and amortization

Depreciation and amortization expense increased by 10.88% or ₹ 61.85 million from ₹ 568.65 million in Fiscal Year 2014 to ₹ 630.50 million in Fiscal Year 2015 primarily due to depreciation on new and relocated VLCC Wellness Centers as well as the addition of new equipment and machines and a change of depreciation rates under the new Companies Act, 2013. This change in the depreciation rate took effect on April 1, 2014, and resulted in an increase in depreciation of ₹ 26.20 million in Fiscal Year 2015.

Tax expense

Tax expense in Fiscal Year 2015 was ₹ 87.48 million, which was an increase of 128.71% from ₹ 38.25 million in Fiscal Year 2014. Our tax expense as a percentage of profit after exceptional items and before tax was 30.22% in

Fiscal Year 2015 compared to 11.61% in Fiscal Year 2014. Our effective tax rate in Fiscal Year 2015 increased due to the reduction in tax benefits from Fiscal Year 2015 for our Personal Care Products business in India together with lower profits in the GCC Region which has lower or zero tax rates. We expect that our anticipated profit margin growth in connection with our international expansion will improve our tax expense ratio, and consequently lead to growth in our cash flows from operations.

Profit for the year after minority interest

As a result of the foregoing, profit for the year after minority interest in Fiscal Year 2015 was ₹ 205.30 million, which was a decrease of 28.89% from ₹ 288.72 million in Fiscal Year 2014 mainly due to higher spending on advertisement and sales promotion expenses to build our brand for products business in India and new geographies, higher depreciation due in part to changes of rates under the new Companies Act, 2013, and the decrease in tax benefits for products business in India from Fiscal Year 2015 each as described above.

Financial year 2014 compared with financial year 2013

Revenue from operations

Our revenue from operations increased by 18.27% from ₹ 5,994.28 million in Fiscal Year 2013 to ₹ 7,089.65 million in Fiscal Year 2014, which was driven primarily by increased sales of Personal Care Products at retail store channels and at our VLCC Wellness Centers in India and outside of India, as well as due to incremental sales from our acquisition of Wyann in Malaysia in October 2012 and GVig in Singapore in September, 2013.

The following table sets forth our revenue by segment for the years indicated.

Segment revenue	Year ended March 31,				
	2013		2014		% revenue increase (decrease)
	(₹ million)	% of total	(₹ million)	% of total	
Sale of products	1,500.35	24.84%	1,877.38	26.33%	25.13%
Sale of services	4,492.80	74.38%	5,208.09	73.05%	15.92%
Other operating revenue	1.13	0.02%	4.18	0.06%	269.91%
Total revenue from operations....	5,994.28	99.24%	7,089.65	99.45%	18.27%
Other income	46.18	0.76%	39.37	0.55%	(14.75)%
Total consolidated revenue.....	6,040.46	100.00%	7,129.02	100.00%	18.02%

Our revenue from sale of products was ₹ 1,877.38 million in Fiscal Year 2014, which was a 25.13% increase from ₹ 1,500.35 million in Fiscal Year 2013. The increase was primarily due to the launch of new products in our retail channels as well as an increase in our distribution reach in India, the GCC Region and South East Asia, following our acquisition of GVig in September 2013.

Revenue from sale of services at our VLCC Wellness Centers and VLCC Institutes increased to ₹ 5,208.09 million in Fiscal Year 2014, which was a 15.92% increase from ₹ 4,492.80 million in Fiscal Year 2013. This increase was primarily due to same store sales growth, our opening of new VLCC Wellness Centers, our acquisition of Wyann's wellness centers in Malaysia and growth in our VLCC Institutes revenue as a result of our tie-ups with various State Governments in India. These also include revenue from franchisee of ₹ 52.31 million in Fiscal Year 2014 compared with ₹ 52.61 million in Fiscal Year 2013, for our VLCC Wellness Centers and VLCC Institutes.

Other operating income consisted of duty drawback and credit under the Government's "Focus Product Scheme", and increased to ₹ 4.18 million in Fiscal Year 2014, which was a significant increase from ₹ 1.13 million in Fiscal Year 2013, which was primarily due to an increase in export of our products from India.

Other income

Other income decreased to ₹39.37 million in Fiscal Year 2014 from ₹46.18 million in Fiscal Year 2013 as a result of certain one-off sales of fixed assets in Fiscal Year 2013 that resulted in an income of ₹ 26.79 million. Other income also included interest income of ₹ 1.00 million in Fiscal Year 2014 compared to ₹ 0.99 million in Fiscal Year 2013. Other income includes liabilities and provisions written back which are no longer required, profits on sale of fixed assets, net gain on foreign currency transactions and other miscellaneous income.

Cost of materials consumed

Cost of materials consumed in Fiscal Year 2014 was ₹ 1,087.65 million, which was an increase of 6.35% from ₹ 1,022.72 million in Fiscal Year 2013. The increase was due primarily to higher sales while our corresponding cost of materials consumed as a percentage of total revenue decreased from 16.93% in Fiscal Year 2013 to 15.26% in Fiscal Year 2014.

Purchases of stock-in-trade

Purchases of stock-in-trade in Fiscal Year 2014 was ₹ 67.48 million, which was an increase of 33.78% from ₹ 50.44 million in Fiscal Year 2013. The increase was due primarily to an increase in stock-in-trade after our acquisition of GVig in September, 2013.

Changes of inventories in stock-in-trade

Changes of inventories in stock-in-trade in Fiscal Year 2014 were an increase of ₹ 40.69 million against increase of ₹ 74.58 million in Fiscal Year 2013. This change was due primarily to inventory management corresponding to the increase in Personal Care Products in Fiscal Year 2014.

Employee benefits expense

Employee benefits expense in Fiscal Year 2014 was ₹ 1,755.70 million, which was an increase of 28.17% from ₹ 1,369.80 million in Fiscal Year 2013. The increase was due primarily to the opening of additional VLCC Wellness Centers and our acquisition of Wyann and GVig, in addition to increases in our sales team for our products business and annual increments given to employees. The employee benefits expense as a percentage of total revenue was 24.63% in Fiscal Year 2014.

Other expenses

Our other expenses include sales and marketing expenses, rental expense and other administration expense.

Advertisement and sales promotion expenses

Advertisement and sales promotion expenses were ₹ 870.09 million in Fiscal Year 2014, which was an increase of 23.17% from ₹ 706.44 million in Fiscal Year 2013, primarily due to an increase in advertisement and marketing expenses for our Personal Care Products business in India and also to increase brand awareness overseas, specifically in the GCC Region, where we opened or acquired VLCC Wellness Centers. Advertising and sales promotion expenses as a percentage of sales have increased from 11.70% in Fiscal Year 2013 to 12.20% in Fiscal Year 2014.

Rental expense

Rental expense was ₹ 706.59 million in Fiscal Year 2014, which was an 18.05% increase from ₹ 598.57 million in Fiscal Year 2013 primarily due to the addition of new VLCC Wellness Centers. Rental expense as a percentage of total revenue was unchanged at 9.91% in both of the Fiscal Years.

Other administration expense

Other administrative expenses consists of expenses such as traveling expense, electricity and water expense, legal and professional expense, incentives on sales, security expenses and other related administrative expenses. Other administrative expenses were ₹ 1,584.85 million in Fiscal Year 2014, which was an increase of 16.50% from ₹

1,360.35 million in Fiscal Year 2013 due to the expansion of our business. However, other administrative expenses as a percentage of total revenue decreased marginally from 22.52% in Fiscal Year 2013 to 22.23% in Fiscal Year 2014.

Depreciation and amortization

Depreciation and amortization increased to ₹ 568.65 million in Fiscal Year 2014, which was an increase of 29.84% from ₹ 437.96 million in Fiscal Year 2013 primarily due to depreciation on new and relocated VLCC Wellness Centers and also addition of new equipment and machines for the VLCC Wellness Centers used for providing slimming, beauty and skin care services, including laser treatments. The increase in depreciation also reflected additional depreciation in connection with our acquisition of Wyann and GVig.

Finance costs

Finance costs, which consist of interest on borrowing, other interest and credit card charges, were ₹ 199.38 million in Fiscal Year 2014, which was an increase of 10.15% from ₹ 181.00 million in Fiscal Year 2013, primarily due to an increase in loans for the acquisition of Wyann and due to higher credit card expenses as a result of increased sales with more customers opting for monthly installment payment plans.

Exceptional item

During Fiscal Year 2014, the company has no exceptional expense or income item. During Fiscal Year 2013, ₹ 8.94 million of exceptional expense consisted of a write-off of amounts due to a Subsidiary and expenses booked which were not part of acquisition cost in Malaysia.

Tax expense

Tax expense was ₹ 38.25 million in Fiscal Year 2014, which was an increase of 65.01% from ₹ 23.18 million in Fiscal Year 2013. The increase was due to the change from a 100% income tax exemption status for our Personal Care Products business from Fiscal Year 2014 resulting in the creation of a deferred tax liability in Personal Care Products business in Fiscal Year 2015. However, our tax expense as a percentage of profit after exceptional items and before tax was 11.61% in Fiscal Year 2014 compared to 6.12% in Fiscal Year 2013.

Profit for the year, after minority interest

As a result of the foregoing, profit for the year after minority interest was ₹ 288.72 million in Fiscal Year 2014, which was a decrease of 18.78% from ₹ 355.48 million in Fiscal Year 2013. As a percentage of our total revenue, our profit for the year accounted for 4.05% in Fiscal Year 2014 and 5.88% in Fiscal Year 2013. The decrease in profit was largely due to the increase in advertisement and sales promotion expenses for our Personal Care Products business as well as for our services business in international markets, an increase in headcount at the management level across all businesses and the increase in depreciation costs described above.

Liquidity and capital resources

Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flows from our operations;
- the level of our outstanding indebtedness and the indebtedness of our subsidiaries, and the interest we are obligated to pay on such indebtedness, which affects our net financial expenses;
- prevailing interest rates, which affect our debt service requirements;
- our ability to continue to borrow funds from financial institutions; and
- our capital expenditure requirements, which consist mainly of maintenance of existing facilities and VLCC Wellness Centers as well as their expansion and building and machines for our Personal Care Products business.

Our cash requirements consist mainly of the following:

- funding operating activities;
- funding capital expenditures;
- servicing our indebtedness; and
- paying taxes.

Our sources of liquidity historically consisted, and will consist after the Offer, mainly of the following:

- cash generated from our operating activities;
- borrowings under debt securities; and
- capital contributions from our shareholders.

Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on competition as well as general economic, financial, market, regulatory and other factors, many of which are beyond our control, as well as other factors discussed under “*Risk factors*” on page 16.

We believe that the cash generated from our operations will be sufficient to meet our liquidity requirements for the next twelve months, although this may not be the case.

Analysis of cash flows

The following table sets out a summary of our cash flows for the periods indicated.

	Year ended March 31,		
	2013	2014	2015
		(₹)	
Net cash from operating activities before working capital changes	917.36	1,048.47	1,071.47
Net cash from operating activities	836.68	1,060.26	866.63
Net cash used in investing activities	(821.19)	(1,060.24)	(685.89)
Net cash from (used in) financing activities.....	27.65	97.35	(200.84)

Net cash from operating activities

Net cash from operating activities was ₹ 866.63 million in Fiscal Year 2015, which was a decrease compared with ₹ 1,060.26 million in Fiscal Year 2014. This decrease was primarily attributable to an increase in trade receivables in connection with the corresponding increase in sales for our Personal Care Products business as well as a decrease in trade payables.

Net cash from operating activities was ₹ 1,060.26 million in Fiscal Year 2014, which was an increase of ₹ 223.58 million or 26.72% compared with ₹ 836.68 million in Fiscal Year 2013. This increase was primarily attributable to the decrease of our other current liabilities in Fiscal Year 2014, increased depreciation, sale of fixed assets and control on working capital components.

Net cash used in investing activities

Net cash from investing activities was ₹ 685.89 million in Fiscal Year 2015, which was a decrease of ₹ 374.35 million compared with ₹ 1,060.24 million in Fiscal Year 2014. This decrease was primarily attributable to the one-off acquisition costs of GVig of ₹ 199.92 million in Fiscal Year 2014.

Net cash used in investing activities was ₹ 1,060.24 million in Fiscal Year 2014, which was an increase of ₹ 239.05 million compared with ₹ 821.19 million in Fiscal Year 2013. This increase was primarily attributable to acquisitions of property, plant and equipment during Fiscal Year 2014 to add more capacity to existing facilities as well as investment in subsidiaries.

Net cash from (used in) financing activities

Net cash used in financing activities was ₹ 200.84 million in Fiscal Year 2015, compared to net cash from financing activities of ₹ 97.35 million in Fiscal Year 2014. This change was due to a lower net increase in borrowing in Fiscal Year 2015.

Net cash from financing activities was ₹ 97.35 million in Fiscal Year 2014, which was an increase from ₹ 27.65 million in Fiscal Year 2013, due to our procurement of additional short-term and long-term loans from financial institutions to use in the expansion of our operations and as well as for our acquisition of GVig.

Current ratio

As of March 31, 2013, 2014 and 2015, our current ratio (current assets divided by current liabilities) was 0.66, 0.68 and 0.72 respectively. In Fiscal Year 2015, our services business had negative working capital (as money is received in advance from our customers) and our products business had working capital requirements. There is marginal fluctuation in our current ratio.

Capital expenditure

Capital expenditure relates mainly to opening of new facilities, refurbishments and the purchase of machinery and equipment, as well as business acquisitions.

In Fiscal Year 2014, our capital expenditure consisted of:

- expenditure for capital expenditure for fixed assets, including capital advances of ₹ 861.33 million, mainly from the addition and relocation of VLCC Wellness Centers;
- the addition of new equipment and machines for existing VLCC Wellness Centers and our manufacturing plant; and
- expenditure for inorganic growth of ₹ 199.92 million, primarily for the acquisition of GVig.

In Fiscal Year 2015, our capital expenditure in cash of ₹ 708.06 million was primarily on:

- the addition of new VLCC Wellness Centers in India, Malaysia, Kuwait, Africa as well as on relocation of certain Wellness Centers;
- equipment and machines for our Personal Care Products business in India and Singapore and for existing Wellness Centers in India and overseas; and
- the acquisition of VLCC Wellness Research Private Limited, a company which owns immovable property in Gurgaon where we have our corporate office. We also acquired another 5% stake from minority shareholders of GVig in Singapore.

Contractual obligations and commitments

The following table summarizes our contractual obligations and commitments as of March 31, 2015.

	Total	Less than 1 year	Years 1-5	More than 5 years
		(₹ million)		
<i>Borrowing:</i>				
Long-term borrowings.....	930.09	NA	872.45	57.64
Borrowing due in one year.....	464.35	464.35	-	-
Overdraft/ CC borrowings.....	132.10	132.10	-	-
<i>Others:</i>				
Non-cancellable leases.....	559.85	233.04	326.81	-
Capital commitments.....	12.36	12.36	-	-

We are obligated under non-cancellable operating leases primarily for Wellness Centres, office and rent facilities and consolidated amount of such non-cancellable leases for Fiscal Year 2015 was ₹ 559.85 million.

Debt obligations due to be repaid in the next 12 months are expected to be satisfied with operating cash flows. We believe that cash flows from operating activities, together with borrowings made available will be sufficient for the next 12 months to fund currently anticipated capital expenditure requirements, debt service requirements and working capital requirements.

Liabilities and indebtedness

Our borrowings consist of long-term borrowings, including secured bank term loans and vehicle loans, and short-term borrowings. For details of our key borrowings, see the section entitled “*Financial Indebtedness*” on page 261 of this Draft Red Herring Prospectus for more details.

Contingent liabilities

From time to time, we provide guarantees in the form of performance bonds in the normal course of our business and we have provided certain guarantees for the performance of certain of our subsidiaries under their respective credit agreements. As of March 31, 2015, the following contingent liabilities have not been provided for, as disclosed in “*Financial Information*” on page F-15. For further details, see “*Risk Factors — Contingent liabilities that have not been provided for could adversely affect our financial condition.*” on page 23.

	As at March 31,
	2015
	(₹ million)
Claims against the Company not acknowledged as debts	8.59
Other money for which the Company is contingently liable:	
- VAT.....	14.05
- Income Tax.....	38.65
- Luxury Tax.....	7.21
- Service Tax.....	0.29

Off balance sheet commitments

As of March 31, 2015, we were not a financial guarantor of obligations of any standalone entity and were not a party to any off-balance sheet obligations or arrangements.

Market risks

We use various financial instruments including loans, cash, trade debtors and trade creditors that arise directly from our operations. The main purpose of these financial instruments is to raise finance for our operations.

The main risks arising from our financial instruments are credit risk, interest rate risk and foreign currency risk. Our directors review and agree on policies for managing each of these risks and they are summarized below.

Credit risk

We are exposed to credit risk primarily with respect to trade receivables and loans. We manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in our statement of financial position.

Interest rate risk

Our exposure to interest rate risk relates primarily to our deposits at financial institutions, bank overdrafts, short-

term borrowings, long-term borrowings, debentures and convertible bonds. Most of our financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Foreign currency risk

Our exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

Reputational Risk

We believe that the recognition and reputation of our “VLCC” brand for our services and products among consumers have contributed significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our brand are, therefore, critical to our business and competitiveness. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our services and products, it may be difficult to maintain and grow our consumer base, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Known Trends or Uncertainties

Other than as described in the sections entitled “*Risk Factors*” and this “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16 and 238, respectively, of this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income or revenue from operations.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as “unusual” or “infrequent.”

Future Relationships between Costs and Income

Other than as described in the sections entitled “*Risk Factors*” and this “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16 and 238, respectively, of this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in the sections entitled “*Our Business*” on page 148 of this Draft Red Herring Prospectus, respectively, there are no new products or business segments in which we operate.

Competitive Conditions

We expect competitive conditions in our industry to intensify further as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products and services. For further details, please refer to the sections entitled “*Risk Factors*” and “*Our Business*” on pages 16 and 148, respectively, of this Draft Red Herring Prospectus.

Taxes

For details regarding taxation and the regulatory environment in which the Company operates, see the sections entitled “*Statement of Tax Benefits*” and “*Regulations and Policies*” on pages 113 and 176, respectively.

Significant Developments after March 31, 2015 that May Affect Our Future Results of Operations

There is no subsequent development after the date of our financial information contained in this Draft Red Herring

Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next twelve months.

FINANCIAL INDEBTEDNESS

Pursuant to a special resolution of the shareholders under Section 180(1)(c) of the Companies Act, 2013 dated September 29, 2014, the Board is authorised to borrow funds exceeding the paid up capital and free reserves of our Company, up to an amount not exceeding ₹ 2,500 million.

A. Facilities availed by our Company

As on July 31, 2015, our Company has total outstanding secured and unsecured borrowings amounting to ₹ 487.46 million. Set forth below is a brief summary of our outstanding financial arrangements (both fund based and non-fund based) as on July 31, 2015.

Term Loans

Provided below is a brief description of the term loan facilities obtained by our Company as on July 31, 2015.

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
Axis Bank Limited Sanction letters dated July 11, 2011, August 12, 2011 and August 18, 2011 Term loan agreement dated September 23, 2011 Composite hypothecation deed dated September 23, 2011	130.00	70.42	1. <i>Purpose:</i> Setting up new centers. 2. <i>Interest rate:</i> Base rate plus 2.25% per annum. 3. <i>Tenor and repayment:</i> Six years, including a two year moratorium period from the date of first disbursement i.e. October 2011. Repayment in equal monthly instalments commencing after the moratorium period. 4. <i>Pre-payment terms:</i> Our Company has the option to utilize surplus cash flows towards pre-payment without payment of a pre-payment premium. The bank has the option to reset the interest rate annually. Our Company has the option to repay the entire loan amount on the interest reset date without any pre-payment charges. 5. <i>Penalties:</i> Penal interest of 2.00% per annum on all amounts not paid when due for payment (or reimbursement). 6. <i>Events of default:</i> (a) Any default in the payment of interest, principal, other charges or any other obligation and in the payment of any other amounts when due and payable; (b) Default in payment of amounts or dues to other or demands for repayment by persons other than the bank; (c) Default in performance of obligations or breach of the terms of the loan agreements or representations and warranties made therein being or becoming incorrect or untrue; (d) Failure in business, liquidation or dissolution, bankruptcy, insolvency or general assignment for the benefit of creditors; (e) Our Company threatening to or suspending payments to creditors; (f) Any information, representations or warranties provided by our Company being found to be or becoming incorrect or untrue; (g) Filing of a petition of winding up or commencement of proceedings for insolvency; (h) Failure to create the security or to provide additional security called for by the bank in the event of depreciation of the value of the security created; (i) Appointment of a receiver in respect of the whole or any part of the

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
			property or assets of our Company, or if any attachment, distress, execution or other process against our Company or the security created is enforced or levied upon; (j) If our Company ceases or threatens to cease to carry on its business; (k) If it is certified by an accountant of a firm of accountants appointed by the bank (which the bank is entitled and thereby authorised to do at any time) that the liabilities of our Company exceed our Company's assets or that our Company is carrying on the business at loss; (l) If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of our Company to repay the loan or any part thereof; (m) If the loan or any part thereof is utilized for any purpose other than the purpose for which it was applied for by our Company and sanctioned by the bank; (n) Any attachment, distress, execution or other process against our Company or the security provided being enforced or levied upon; (o) Any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or is likely to jeopardize any security given by our Company or any part thereof; (p) If our Company, without the prior written permission of the bank, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over our Company's property or any part thereof, which is or shall be the security for repayment of dues except for securing any other obligations of our Company to the bank; (q) Upon happening of any substantial change in the constitution or management of our Company without previous written consent of the bank or upon the management ceasing to enjoy the confidence of the bank; (r) Failure to furnish any information or documents required by the bank; (s) Failure to furnish to the bank detailed end use statement of the loan as and when so required, within the time prescribed; and (t) All or substantially all of the undertaking, assets or properties of our Company or its interests therein being seized, nationalised, expropriated or compulsorily acquired by the authority of the government. 7. <i>Security:</i> (a) First <i>pari passu</i> charge on the entire movable fixed assets of our Company; (b) Corporate guarantee of VLCC International Inc.; and (c) Non-disposal undertaking that the shareholding of Mr. Mukesh Luthra and Ms. Vandana Luthra in our Company shall not fall below 51.00% at any point of time. 8. <i>Collateral security:</i> (a) First <i>pari passu</i> charge on the entire current assets of our Company; (b) Routing of credit card receivables for centers financed by Axis Bank Limited; and (c) Post dated cheques provided by Mr. Mukesh Luthra for principal and interest amounts.
Axis Bank Limited	300.00 (corporate	162.50	1. <i>Purpose:</i> Advertisement expenditure, brand building and general corporate expenses.

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
Sanction letters dated July 11, 2011, August 12, 2011 and August 18, 2011 Term loan agreement dated September 23, 2011 Composite hypothecation deed dated September 23, 2011	loan)		2. <i>Interest rate:</i> Base rate plus 2.50% per annum payable monthly. 3. <i>Tenor and repayment:</i> Six years, including a two year moratorium period from the date of first disbursement i.e. March 2012. Repayment in equal monthly instalments commencing after the moratorium period. 4. <i>Pre-payment terms:</i> Our Company has the option to utilize surplus cash flows towards pre-payment without payment of a pre-payment premium. The bank has the option to reset the interest rate annually. Our Company has the option to repay the entire loan amount on the interest reset date without any pre-payment charges. 5. <i>Penalties:</i> Penal interest of 2% per annum. 6. <i>Events of default:</i> (a) Any default in the payment of interest, principal, other charges or any other obligation and in the payment of any other amounts when due and payable; (b) Default in payment of amounts or dues to other or demands for repayment by persons other than the bank; (c) Default in performance of obligations or breach of the terms of the loan agreements or representations and warranties made therein being or becoming incorrect or untrue; (d) Failure in business, liquidation or dissolution, bankruptcy, insolvency or general assignment for the benefit of creditors; (e) Our Company threatening to or suspending payments to creditors; (f) Any information, representations or warranties provided by our Company being found to be or becoming incorrect or untrue; (g) Filing of a petition of winding up or commencement of proceedings for insolvency; (h) Failure to create the security or to provide additional security called for by the bank in the event of depreciation of the value of the security created; (i) Appointment of a receiver in respect of the whole or any part of the property or assets of our Company, or if any attachment, distress, execution or other process against our Company or the security created is enforced or levied upon; (j) If our Company ceases or threatens to cease to carry on its business; (k) If it is certified by an accountant of a firm of accountants appointed by the bank (which the bank is entitled and thereby authorised to do at any time) that the liabilities of our Company exceed our Company's assets or that our Company is carrying on the business at loss; (l) If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of our Company to repay the loan or any part thereof; (m) If the loan or any part thereof is utilized for any purpose other than the purpose for which it was applied for by our Company and sanctioned by the bank; (n) Any attachment, distress, execution or other process against our Company or the security provided being enforced or levied upon; (o) Any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or is likely to jeopardize any security given by our Company or any part thereof; (p) If our Company, without the prior written permission of the bank, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over our Company's

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
			property or any part thereof, which is or shall be the security for repayment of dues except for securing any other obligations of our Company to the bank; (q) Upon happening of any substantial change in the constitution or management of our Company without previous written consent of the bank or upon the management ceasing to enjoy the confidence of the bank; (r) Failure to furnish any information or documents required by the bank; (s) Failure to furnish to the bank detailed end use statement of the loan as and when so required, within the time prescribed; and (t) All or substantially all of the undertaking, assets or properties of our Company or its interests therein being seized, nationalised, expropriated or compulsorily acquired by the authority of the government. 7. <i>Security:</i> (a) First <i>pari passu</i> charge on the entire movable fixed assets of our Company; (b) Corporate guarantee of VLCC International Inc.; and (c) Non-disposal undertaking that the shareholding of Mr. Mukesh Luthra and Ms. Vandana Luthra in our Company shall not fall below 51.00% at any point of time. 8. <i>Collateral security:</i> (a) First <i>pari passu</i> charge on the entire current assets of our Company; (b) Routing of credit card receivables for centers financed by the bank; and (c) Post dated cheques provided by Mr. Mukesh Luthra for principal and interest amounts.
HDFC Bank Limited Sanction letter dated July 11, 2013 Loan agreement dated July 21, 2013 Supplemental deed of hypothecation dated July 21, 2013 and deed of hypothecation dated July 21, 2013	86.00	51.76	1. <i>Purpose:</i> For reimbursement of capex incurred during Fiscal Year 2013. 2. <i>Interest rate:</i> Base rate plus 140 basis points per annum. 3. <i>Tenor and repayment:</i> 60 months, without a moratorium. Repayment of the principal amount in 60 equal monthly instalments of ₹ 1.43 million each, commencing a month from the first drawdown i.e. August 2013. 4. <i>Pre-payment terms:</i> - 5. <i>Penalties:</i> Penal interest of 3.00% per annum on the entire loan leviable from the date of default. 6. <i>Events of default:</i> (a) Representations, statements or particulars made in the proposal/ application are found to be incorrect. Any breach or default in performance or observance of the terms of the loan agreement or failure to keep or perform any of the terms or provisions of any other agreement with the bank in respect of this facility; (b) Any default in the payment of principal or interest of any obligation of our Company when due and payable; (c) Any deterioration or impairment of the security, the said property or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated), which causes

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
			the security in the judgment of the bank to become unsatisfactory as to character or value; (d) Any attachment, distress, execution or other process against our Company or the security provided being enforced or levied upon; (e) The death, insolvency, failure of business, commission of an act of bankruptcy, general assignment for benefit of creditors, if our Company suspends payment to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against our Company or filling up of any petition for winding up of our Company and not being withdrawn within 30 days of being admitted; (f) Liquidation for the purpose of amalgamation or reconstruction, except with prior approval of the bank; (g) Appointment of a receiver in respect of the whole or any part of the property / assets of our Company; (h) If our Company ceases or threatens to cease or carry on its business; (i) If it is certified by an accountant of a firm of accountants appointed by the bank (which the bank is entitled and thereby authorised to do at any time) that the liabilities of our Company exceed our Company's assets or that our Company is carrying on the business at loss; (j) If our Company, without the prior written permission of the bank, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over our Company's property or any part thereof, which is or shall be the security for repayment of dues except for securing any other obligations of our Company to the bank; (k) Any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or is likely to jeopardize any security given by our Company or any part thereof; (l) If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of our Company to repay the loan or any part thereof; (m) If the loan or any part thereof is utilized for any purpose other than the purpose for which it was applied for by our Company and sanctioned by the bank; and (n) Upon happening of any substantial change in the constitution or management of our Company without previous written consent of the bank or upon the management ceasing to enjoy the confidence of the bank. 7. <i>Security:</i> (a) First <i>pari passu</i> charge on current assets and movable fixed assets of our Company both present and future; (b) Escrow of credit card receivables of our Company on proportionate basis; and (c) Post dated cheques for each installment.
HDFC Bank Limited Sanction letter dated August 27, 2014 Loan agreement dated	150.00	138.90	1. <i>Purpose:</i> Proposed capex to be incurred in Fiscal Year 2015. 2. <i>Interest rate:</i> Base rate plus 125 basis points per annum. 3. <i>Tenor and repayment:</i> 60 months with a six month moratorium period. Repayment in 54 equal monthly instalments of ₹ 2.78 million commencing after the moratorium period. 4. <i>Pre-payment terms:</i> Pre-payment penalty of 2.00% is applicable unless pre-payment is made from internal accruals or funds from an initial public

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
September 4, 2014 Deed of hypothecation dated September 4, 2014			offer or private equity investment. 5. <i>Penalties:</i> Penal interest of 3.00% per annum over and above the margin on the entire loan leviable from the date of default. 6. <i>Events of default:</i> (a) Representations, statements or particulars made in the proposal/ application are found to be incorrect. Any breach or default in performance or observance of the terms of the loan agreement or failure to keep or perform any of the terms or provisions of any other agreement with the bank in respect of this facility; (b) Any default in the payment of principal or interest of any obligation of our Company when due and payable; (c) Any deterioration or impairment of the security, the said property or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated), which causes the security in the judgment of the bank to become unsatisfactory as to character or value; (d) Any attachment, distress, execution or other process against our Company or the security provided being enforced or levied upon; (e) The death, insolvency, failure of business, commission of an act of bankruptcy, general assignment for benefit of creditors, if our Company suspends payment to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against our Company or filling up of any petition for winding up of our Company and not being withdrawn within 30 days of being admitted; (f) Liquidation for the purpose of amalgamation or reconstruction, except with prior approval of the bank; (g) Appointment of a receiver in respect of the whole or any part of the property / assets of our Company; (h) If our Company ceases or threatens to cease or carry on its business; (i) If it is certified by an accountant of a firm of accountants appointed by the bank (which the bank is entitled and thereby authorised to do at any time) that the liabilities of our Company exceed our Company's assets or that our Company is carrying on the business at loss; (j) If our Company, without the prior written permission of the bank, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over our Company's property or any part thereof, which is or shall be the security for repayment of dues except for securing any other obligations of our Company to the bank; (k) Any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or is likely to jeopardize any security given by our Company or any part thereof; (l) If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of our Company to repay the loan or any part thereof; (m) If the loan or any part thereof is utilized for any purpose other than the purpose for which it was applied for by our Company and sanctioned by the bank; and (n) Upon happening of any substantial change in the constitution or management of our Company without previous written consent of the bank or upon the management ceasing to enjoy the confidence of the bank. 7. <i>Security:</i>

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
			(a) First <i>pari passu</i> charge on current assets and movable fixed assets of our Company both present and future; (b) Escrow of credit card receivables of our Company on proportionate basis; and (c) Post dated cheques for each installment.
Kotak Mahindra Bank Limited Sanction letter dated April 1, 2013 Supplemental agreement to the master facility agreement dated April 17, 2013 and master facility agreement dated January 30, 2008 Deed of hypothecation dated June 7, 2013	50.00*	34.68	1. <i>Purpose</i>: For reimbursement of capital expenditure incurred at existing centres between April 2011 and March 2013. 2. <i>Interest rate</i>: 11.75% per annum. 3. <i>Tenor and repayment</i>: Up to a maximum of five years. Repayment of the principal amount in 60 equal instalments commencing the month following the month of the first disbursement i.e. December 2013 for the first tranche and March 2014 for the second tranche. 4. <i>Pre-payment terms</i>: Subject to the policy of the bank prevailing at the time pre-payment is sought. 5. <i>Penalties</i>: Penal interest of 2.00% per month compounded monthly on all amounts unpaid on the due dates. Penalty amounts up to ₹ 5,000 per month for non-submission of audited annual reports, provisional unaudited financials, monthly comprehensive MIS, quarterly results/reporting, insurance policy/cover note as well as overdue charges and penal rate penalties. 6. <i>Events of default</i>: (a) Failure to promptly pay any amount owed to the bank as and when due and payable; (b) Failure to duly observe or perform any obligations hereunder or under any other agreement with the bank or any other person; (c) Any representation made by our Company to the bank being found by the bank to have been false at any time or misleading as of the date on which the same was made or deemed to be made; (d) The threat or apprehension of or the occurrence of any damage to or loss, theft, misappropriation or destruction of any of the secured assets or of any other security of the bank or of any assets of our Company provided as security, including secured assets provided by third parties as security; (e) The occurrence of any event or condition which, in the bank's opinion, constitutes or could constitute a material adverse effect; (f) Our Company entering into any arrangement or composition with its creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of our Company; (g) Execution or distress or other process being enforced or levied upon or against the whole or any part of our Company's property whether secured to the bank or not; (h) Any order being made or a resolution being passed for the winding up of our Company (except for the purpose of amalgamation or reconstruction with the prior approval of the bank); (i) A receiver being appointed in respect of the whole or any part of the property of our Company; (j) Our Company being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors;

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
			(k) Our Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so; (l) It being certified by an accountant or a firm of accountants appointed by the bank (which the bank is entitled and authorized to do at any time) that the liabilities of our Company exceed its assets or that our Company is carrying on business at a loss; (m) If our Company and/or security provider, without the consent in writing of the bank, attempts or purports to create any mortgage, charge, pledge, hypothecation or lien or encumbrance ranking in priority to or <i>pari passu</i> with or to create any mortgage, charge, pledge, hypothecation or lien or encumbrance subsequent to, the security given or to be given to be given to the bank for the facilities; (n) If our Company stops payment or threaten to do so; (o) Inability to pay debts, proceeding of winding up, or our Company being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule, ordinance, etc. which would have the effect of suspending or waiving all or any right against our Company or in respect of any contract or agreement concerning our Company; (p) The passing of any order of a court ordering, restraining or otherwise preventing our Company from conducting all or any material part of its business; (q) The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Borrower; (r) If our Company voluntarily or compulsorily becomes the subject of proceeding under any bankruptcy or insolvency law or goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or any other authority or relief undertaking; (s) The commencement of a legal process against our Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or under any criminal law in force; (t) If the title of the security provider to the security is in jeopardy or if there is an attachment or lien against the security; (u) Any change in respect of the constitution or management or shareholding; (v) Use of the Facility for investments in shares and securities, on-lending to associate companies, Investments in ICD/inter corporate loans; (w) One or more events, conditions or circumstances (including any change in law) shall occur or exist which in the opinion of the bank, could have a material adverse effect; (x) If an event of default has occurred under any other agreement entered into by our Company or any associate/affiliate/group company of our Company or a person or entity related to our Company with the bank or any associate/affiliate company of the bank. 7. <i>Security:</i>* (a) First <i>pari passu</i> charge on all existing and future current assets and moveable fixed assets (other than those specifically charged to other lenders) of our Company. (b) Negative lien on the brand “VLCC” in favour of the bank. (c) Un-dated cheques of the facility amount.
Kotak	100.00	4.17	1. <i>Purpose:</i> Capital expenditure for construction/ renovation of new centres

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
Mahindra Bank Limited Sanction letters dated August 13, 2010, October 29, 2010 and April 1, 2013 Supplemental agreement to the master facility agreement dated November 29, 2010 and master facility agreement dated January 30, 2008 Principal deed of hypothecation dated August 20, 2010 and supplemental deed of hypothecation dated November 29, 2010.			from the period commencing April 1, 2010 until March 31, 2011, with the purpose of the sub-limit being cash flow mismatch. <i>Interest rate:</i> The interest rate arrived at the time of sanction was on the basis of the bank's case rate plus 2.85% per annum but is subject to rates of interest that may be re-set from time to time over the tenure of the facility. <i>Tenor and repayment:</i> 60 months including a moratorium period of 12 months from the date of first drawdown. <i>Pre-payment terms:</i> Our Company has the option of pre-paying the entire outstanding (but not any part thereof) on the annual anniversary dates of disbursement of the respective term loans provided a 30 day notice is given to the bank. <i>Penalties:</i> ₹ 2,000 in the subsequent month for non-submission of the monthly comprehensive MIS by the last day of the following month and ₹ 5,000 per month from the next month till the statement is submitted. Penalties for non-submission as per prescribed deadlines of the monthly comprehensive MIS, insurance policy cover note, audited annual reports, provisional unaudited financials are up to ₹ 5,000 per month including for continued non-submission. <i>Events of default:</i> - Failure to promptly pay any amount owed to the bank as and when due and payable; - Failure to duly observe or perform any obligations hereunder or under any other agreement with the bank or any other person; - Any representation made by our Company to the bank being found by the bank to have been false at any time or misleading as of the date on which the same was made or deemed to be made; - The threat or apprehension of or the occurrence of any damage to or loss, theft, misappropriation or destruction of any of the secured assets or of any other security of the bank or of any assets of our Company provided as security, including secured assets provided by third parties as security; - The occurrence of any event or condition which, in the bank's opinion, constitutes or could constitute a material adverse effect; - Our Company entering into any arrangement or composition with its creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of our Company; - Execution or distress or other process being enforced or levied upon or against the whole or any part of our Company's property whether secured to the bank or not; - Any order being made or a resolution being passed for the winding up of our Company (except for the purpose of amalgamation or reconstruction with the prior approval of the bank); - A receiver being appointed in respect of the whole or any part of the property of our Company; - Our Company being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors; - Our Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so; - It being certified by an accountant or a firm of accountants appointed by the bank (which the bank is entitled and authorized to do at any

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹million)	Key terms and conditions
			time) that the liabilities of our Company exceed its assets or that our Company is carrying on business at a loss; (m) If our Company and/or security provider, without the consent in writing of the bank, attempts or purports to create any mortgage, charge, pledge, hypothecation or lien or encumbrance ranking in priority to or <i>pari passu</i> with or to create any mortgage, charge, pledge, hypothecation or lien or encumbrance subsequent to, the security given or to be given to be given to the bank for the facilities; (n) If our Company stops payment or threaten to do so; (o) Inability to pay debts, proceeding of winding up, or our Company being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule, ordinance, etc. which would have the effect of suspending or waiving all or any right against our Company or in respect of any contract or agreement concerning our Company; (p) The passing of any order of a court ordering, restraining or otherwise preventing our Company from conducting all or any material part of its business; (q) The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Borrower; (r) If our Company voluntarily or compulsorily becomes the subject of proceeding under any bankruptcy or insolvency law or goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or any other authority or relief undertaking; (s) The commencement of a legal process against our Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or under any criminal law in force; (t) If the title of the Security Provider to the Security is in jeopardy or if there is an attachment or lien against the security; (u) Any change in respect of the constitution or management or shareholding; (v) Use of the Facility for investments in shares and securities, on-lending to associate companies, Investments in ICD/inter corporate loans; (w) One or more events, conditions or circumstances (including any change in law) shall occur or exist which in the opinion of the bank, could have a material adverse effect; (x) If an event of default has occurred under any other agreement entered into by our Company or any associate/affiliate/group company of our Company or a person or entity related to our Company with the bank or any associate/affiliate company of the bank. 7. <i>Security</i>: First <i>pari passu</i> charge on all existing and future current assets and moveable fixed assets (other than those specifically charged to other lenders) of our Company.

* The original amount sanctioned as a term loan under the sanction letter dated April 1, 2013 (as also in the supplemental agreement to the master facility agreement April 17, 2013) was ₹115 million with a condition that in the event the corporate guarantee of VLCC Personal Care, our Subsidiary, is not provided the facility shall be restricted to ₹50 million. Accordingly, as the actual security provided for this facility did not include the corporate guarantee of VLCC Personal Care, the facility stood reduced to ₹50 million and is stated as such in the deed of hypothecation dated June 7, 2013.

Working Capital Facilities

Provided below is a brief description of the working capital facilities obtained by our Company as on July 31, 2015.

Name of the lender and loan documentation	Sanctioned amount (₹ million unless specified otherwise)	Total outstanding amount as on July 31, 2015 (₹ million)	Key terms and conditions
Axis Bank Limited Sanction letters dated July 11, 2011, August 12, 2011, and August 18, 2011 Composite hypothecation deed dated September 23, 2011	20.00 <i>(overdraft facility)</i>	Nil	1. <i>Purpose:</i> Working capital requirements of our Company 2. <i>Interest rate:</i> Base rate plus 2.50% per annum payable monthly. 3. <i>Tenor and repayment:</i> One year from the date of sanction i.e. August 12, 2011 and repayable on demand. 4. <i>Pre-payment terms:</i> NA 5. <i>Penalties:</i> Penal interest of 2.00% per annum on the overdue amount in case of overdrawing. In case of overdrawing on more than three occasions in a calendar month in relation to running accounts like cash credit facilities, penal interest of 2.00% per annum on the entire outstanding in the account. 6. <i>Security:</i> (a) First <i>pari passu</i> charge on the entire movable fixed assets of our Company; (b) Corporate guarantee of VLCC International Inc.; and (c) Non-disposal undertaking that the shareholding of Mr. Mukesh Luthra and Ms. Vandana Luthra in our Company shall not fall below 51.00% at any point of time. 7. <i>Collateral security:</i> (a) First <i>pari passu</i> charge on the entire current assets of our Company; (b) Routing of credit card receivables for centers financed by the bank; and (c) Post dated cheques provided by Mr. Mukesh Luthra for principal and interest amounts.
Kotak Mahindra Bank Limited Sanction letters dated August 13, 2010 and October 29, 2010 Supplemental agreement dated November 29, 2010 to the master facility agreement dated January 30, 2008	30.00 <i>(letter of credit)</i>	10.97	1. <i>Purpose:</i> Raw materials and capital goods. 2. <i>Commission:</i> As per applicable card rates. 3. <i>Tenor and repayment:</i> Sight and usance up to 180 days. 4. <i>Penalties:</i> Standard penalty clause. 5. <i>Security:</i> Capital goods purchased or imported under this letter of credit facility in addition to the security under the term loan facility details of which are provided above.
Kotak Mahindra Bank Limited	25.00 <i>(working capital)</i>	25.00	1. <i>Purpose:</i> Cash flow mismatch. 2. <i>Interest rate:</i> Determined at the time of disbursement.

Name of the lender and loan documentation	Sanctioned amount (₹ million unless specified otherwise)	Total outstanding amount as on July 31, 2015 (₹ million)	Key terms and conditions
Sanction letter dated April 1, 2013 Master facility agreement dated January 30, 2008 Deed of hypothecation dated June 7, 2013	loan)		3. <i>Tenor and repayment:</i> Maximum 60 days. 4. <i>Pre-payment terms:</i> Subject to the policy of the bank prevailing at the time pre-payment is sought. 5. <i>Penalties:</i> Penal interest of 2.00% per month compounded monthly on all amounts unpaid on the due dates. Penalty amounts up to ₹ 5,000 per month for non-submission of audited annual reports, provisional unaudited financials, monthly comprehensive MIS, quarterly results/reporting, insurance policy/cover note as well as overdue charges and penal rate penalties. 6. <i>Events of default:</i> - 7. <i>Security:</i> (a) First <i>pari passu</i> charge on all existing and future current assets and moveable fixed assets (other than those specifically charged to other lenders) of our Company. (b) Negative lien on the brand “VLCC” in favour of the bank.
Yes Bank Limited Sanction letter dated October 29, 2014 Master facility agreement dated July 2, 2015	50.00 (overdraft)	0.03	1. <i>Purpose:</i> To meet working capital requirements. 2. <i>Interest rate:</i> Floating, base rate plus 0.25% per annum. 3. <i>Tenor and repayment:</i> Maximum of 12 months. Repayable on demand. 4. <i>Prepayment:</i> -. 5. <i>Penalties:</i> Penal interest of 2.00% per annum for non compliance, as provided in the agreement, including default in creation and perfection of security, breach of covenants, representations or warranties etc. 6. <i>Security:</i> - 7. <i>Events of default:</i> (a) Failure to pay or repay on the due date in accordance with the terms of the agreement;; (b) Any statement, representation or warranty or confirmation made by our Company being found to be untrue or incorrect or subsequently found to be untrue or incorrect; (c) Breach or default by our Company of any covenant or other obligations or under any security or other documents or our Company admitting in writing the inability to pay any indebtedness when due and mature; (d) Security tendered or charges created becoming wholly or partially invalid or unenforceable for any reason or being prejudiced for any reason; (e) If our Company is unable to carry on business or ceasing or threatening to cease to carry on business or appointment of a receiver of our Company’s assets or failure to maintain stipulated financial ratios or if it is certified by an accountant or a firm of accountants appointed by the bank that liabilities of our Company exceed our assets or that our Company is carrying of business at a loss; (f) Security ceasing to constitute acceptable security to the bank and our

Name of the lender and loan documentation	Sanctioned amount (₹ million unless specified otherwise)	Total outstanding amount as on July 31, 2015 (₹ million)	Key terms and conditions
			Company not furnishing acceptable alternate or additional security on demand; (g) Existence of circumstances which prejudicially affect the ability to pay or repay the amounts due; (h) Change in ownership, management or control including any change in the chief executive officer or managing director by whatever name called without prior consent of the bank; (i) Meeting called by creditors/members for the purpose of passing any resolution for winding up or entering into any arrangement or composition with creditors or commission of any act of insolvency or our Company becoming the subject of proceedings under bankruptcy or insolvency law or is voluntarily or involuntarily dissolved or becomes insolvent or if a receiver or liquidator is appointed etc. or if judgements or decrees, involving in the aggregate a liability which could have a material adverse effect, rendered against our Company not vacated, discharged or stayed for a period of 30 days; (j) Any other material event or change which prejudicially alters the bank's interest or may have a material adverse effect; (k) Facilities being utilised for any purpose other than purpose enumerated; (l) Any attachment, execution, distress or other process being enforced or levied against our Company or the whole or any part of our property; (m) Breach of agreement with any person who has provided loans, deposits, advance, guarantees or other financial facilities or cross default; (n) Failure to pay any outstanding amount to meet any obligation when due whether to the bank or other person or the occurrence of an event of default in relation to any of our Company's credit facilities or other arrangement with the bank or any other person; and (o) Failure to get facilities rated as approved and further to get facilities rated annually or at such intervals as intimated.
	50.00 <i>(drop line overdraft)</i>	-	<i>Purpose:</i> To meet short term and general capital expenditure requirements. <i>Interest rate:</i> Floating, base rate plus 0.25% per annum. <i>Tenor and repayment:</i> Maximum of 36 months. Limits to reduce by ₹ 16.67 million each year at renewal and repayable on demand. <i>Prepayment:</i> - <i>Penalties:</i> Penal interest of 2.00% per annum for non compliance, as provided in the agreement, including default in creation and perfection of security, breach of covenants, representations or warranties etc. <i>Security:</i> First <i>pari passu</i> charge on all current assets and movable fixed assets (excluding vehicles) of our Company both present and future. <i>Events of default:</i> Same as for the overdraft above.

* This letter of credit facility is a sub-limit of the ₹130 million term loan facility availed from Axis Bank Limited as described above under Term Loans.

Restrictive covenants with respect to borrowings of our Company

Our financing agreements contain various financial and restrictive covenants, including *inter alia* that during the currency of the lenders' credit facilities, our Company shall not, without the bank's prior written permission:

- (a) Enter into any scheme of merger, amalgamation, compromise or reconstruction;
- (b) Implement a new scheme of expansion or take up an allied line of business or manufacture;
- (c) Permit any change in the ownership or control of our Company whereby the effective beneficial ownership or control shall change or make any drastic changes in the management set up or any change in the chief executive officer or managing director by whatever name called;
- (d) Pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability;
- (e) Make any significant amendments adversely affecting the bank in our Memorandum and Articles or change its name or trade name;
- (f) Avail of or obtain any further loan or facility on the property constituting the bank's security;
- (g) Extend unsecured loans, corporate guarantees, comfort letters etc. to any group company or subsidiary or undertake guarantee obligations on behalf of any other company or person;
- (h) Invest any funds in the shares, debentures, deposits or other investments of any other company;
- (i) Diversify into non-core areas of business or effect any material change in the management of the business;
- (j) Declare dividends while any instalment towards principal or interest remains unpaid; and
- (k) Create, assume or incur any further indebtedness of a long term nature whether for borrowed monies or otherwise or borrow any moneys from any other bank or from any other source whatsoever and whomsoever apart from temporary loans obtained in the ordinary course of business.

Guarantees

As on July 31, 2015, our Company has issued corporate guarantees, including as stand-by letters of credit, aggregating to ₹ 985.97 million in respect facilities availed by its Subsidiaries, VLCC International Inc., VLCC International LLC, VLCC International Qatar Co. - W.L.L. and VLCC Singapore Pte. Ltd.

B. Facilities availed by our Indian Subsidiaries

Of our Subsidiaries in India, VLCC Retail Limited, V.L.C.C. India Limited, YaP Yoga Private Limited and VLCC Wellness Research Centre Private Limited have no outstanding financial arrangements as on July 31, 2015. Set forth below is a brief summary of the outstanding financial arrangements (both fund based and non-fund based) as on July 31, 2015 of our Subsidiary, VLCC Personal Care Limited ("VPCL").

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹ million)	Key terms and conditions
Yes Bank Limited	100.00	4.37	1. <i>Purpose:</i> Meet working capital requirements.
Sanction Letter dated May 11, 2006	(cash credit/ working capital demand loan)		2. <i>Interest rate:</i> Base rate plus 0.25% per annum. An all inclusive commission of 1.25% is applicable for other sub-limits including letter of credit, usance and sight facilities as and when availed.
Sanction letter dated August 29, 2006 (addendum to sanction letter dated May 11, 2006)	30.00		3. <i>Tenor and repayment:</i> Availability of the facilities sanctioned under the facility letter is renewed and extended up to August 28, 2011. Each advance shall be repaid in full on the last business day of the term for which such advance was drawn down.
	(bank guarantee as a sub-limit)		4. <i>Pre-payment terms:</i> -
			5. <i>Penalties:</i> -
Sanction letter dated July 19, 2007			6. <i>Events of default:</i> The occurrence of any one or more of the following events shall constitute an event of default:

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹ million)	Key terms and conditions
(addendum to facility letter dated August 29, 2006) Sanction letters dated March 12, 2012 and October 5, 2012 Sanction letters dated September 16, 2010, April 4, 2014 and February 2, 2015 Loan Agreement May 26, 2006 Supplemental deed of hypothecation dated September 18, 2014			a. VPCL fails to pay/repay on the due date thereof the indebtedness or other sum; b. Any statement, representation, warranty or confirmation or VPCL's proposal / application or otherwise on the part of VPCL is found to be untrue or incorrect or subsequently becomes untrue or incorrect. c. There is a breach or default by VPCL of any covenant or other obligations or the facilities letter or under any security or other documents executed by VPCL with the bank; d. The security tendered to the Bank or the charges created thereon in bank's favour shall become wholly or partially invalid or unenforceable for any reason or are prejudiced for any reason; e. VPCL shall for any reason cease or be unable to carry on business or appointment of a receiver of VPCL's assets or VPCL fails to maintain the financial covenants as stipulated; f. The security ceases to constitute acceptable security to the bank, in the opinion of the bank, and VPCL does not upon demand furnish acceptable additional or alternate security; g. There exist circumstances which in the opinion of the bank prejudicially affects or may affect VPCL's ability to pay/repay the amounts due under the facilities and interest thereon or pay any amount due to the bank; h. There is a change in ownership, management and/or control of VPCL including without limitation any change in the Chief Executive Officer or the Managing Director, by whatever name called without prior written consent of the bank; i. A meeting is called by the creditors/members of VPCL for the purpose of passing any resolution for winding up of VPCL; j. Any other event/material change which prejudicially alters the bank's interest or may have material adverse effect; k. The facilities are utilised for any purpose other than the purpose enumerated in this agreement or the facility letter; l. VPCL enters into any arrangement or composition with its creditors or commits any act of insolvency; m. If any attachment, execution, distress or other process is enforced or levied against VPCL or against the whole or any part of VPCL's property; n. VPCL ceasing, or threatening to cease, to carry on business; o. VPCL is in breach of any agreement with any person who has provided loans, deposits, advances, guarantees or other financial facilities to VPCL; p. VPCL fails to pay any outstanding amount to meet any obligation when due to the bank and/or any other person other than the bank or the occurrence of an event of default in relation to any of VPCL's credit facilities or other arrangement with the bank and/or any person other than the bank; and q. VPCL has, or there is a reasonable apprehension that VPCL has, voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law, or is voluntarily or involuntarily dissolved, becomes bankrupt or insolvent or if VPCL has taken or suffered to be taken any action for its reorganization, liquidation or dissolution or insolvency or bankruptcy or if a receiver or liquidator has been appointed or allowed to be appointed of all or any part of the assets of VPCL or if an attachment or distraint has been levied on VPCL's assets or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹ million)	Key terms and conditions
			VPCL or if one or more judgments or decrees have been rendered or entered against VPCL and such judgments or decrees are not vacated, discharged or stayed for a period of 30 days, and such judgments or decrees involve in the aggregate, a liability which could have a material adverse effect. r. Failure of VPCL to get itself rated by credit rating agency/ies, as approved by the bank, within a period of three months from the date of acceptance of facility letter and to get such rating done annually or at such intervals as may be decided and intimated by the bank to VPCL, from time to time. s. VPCL is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due; (b) an event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition or any combination of the foregoing would constitute an event of default) occurs under any agreement or document relating to any indebtedness of VPCL or if any other lenders of VPCL including financial institutions or banks with whom VPCL has entered into agreements for financial assistance have recalled its/their assistance or any part thereof. t. If it is certified by an accountant of a firm of accountants appointed by the bank (which the bank is entitled and authorised to do so at any time) that the liabilities of VPCL exceed VPCL's assets or that VPCL is carrying on business at a loss. 7. <i>Security:</i> (a) First <i>pari passu</i> charge on the current assets of VPCL, both present and future; and (b) Second <i>pari passu</i> charge on movable fixed assets of VPCL, both present and future.
HDFC Bank Limited Sanction letters dated April 25, 2013, June 27, 2013 and March 6, 2015 Supplemental letter of hypothecation of stocks, book debts and machinery dated July 3, 2013	100.00 <i>(cash credit /working capital demand loan)</i>	46.93	1. <i>Purpose:</i> Working capital requirements 2. <i>Interest rate:</i> Base rate plus 0.80% per annum, payable at monthly rests. 3. <i>Tenor and repayment:</i> Cash credit on demand; for working capital demand loan the tenor is a maximum of 180 days. 4. <i>Pre-payment terms:</i> - 5. <i>Penalties:</i> Penal interest of 3.00% on all overdues or delays or any default in convenants. 6. <i>Events of default:</i> - 7. <i>Collateral security:</i> (a) First <i>pari passu</i> charge on the entire current assets of VPCL, both present and future; and (b) Second <i>pari passu</i> charge on moveable fixed assets of VPCL, both present and future.
	20.00		1. <i>Purpose:</i> To provide bid bond guarantee for bidding of the projects,

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on July 31, 2015 (₹ million)	Key terms and conditions
	(bank guarantee as a sub-limit)		to provide bank guarantee for mobilization of advance and performance guarantee after completion of project and any other purpose as specifically approved by the bank. 2. <i>Interest rate:</i> As per prevailing rates. 3. <i>Tenor and repayment:</i> Maximum period of 180 days. 4. <i>Pre-payment terms:</i> - 5. <i>Penalties:</i> Penal interest at the rate of 3.00% per annum. 6. <i>Events of default:</i> -
State Bank of India Loan agreement for overall limits dated March 11, 2014 Sanction letters dated September 3, 2013 and August 11, 2014 Agreement of hypothecation of goods and assets dated March 11, 2014	200.00 (cash credit)	64.20	1. <i>Purpose:</i> Cash credit, working capital requirements. 2. <i>Interest rate:</i> 0.50% p.a. over the base rate at monthly rests. 3. <i>Tenor and repayment:</i> Repayable on demand. 4. <i>Pre-payment terms:</i> - 5. <i>Penalties:</i> For irregularities in the account up to sixty days, penal interest of 2.00% per annum is applicable on the irregular portion in the account, which would be extended to the entire outstanding in the account if the irregularity continues beyond sixty days. Penal interest of 1.00% per annum is also applicable in case of delay or default in submission of stock statement, delay or default in submission of renewal data beyond three months from the due date of renewal or for any non-compliance with covenants. The aggregate penal interest on account of non-compliance will not exceed 3.00% per annum in aggregate. 6. <i>Events of default:</i> - 7. <i>Security:</i> First hypothecation charge on <i>pari passu</i> basis on the entire current assets (present and future) including stocks of raw material, goods in transit etc. Collateral security being a second <i>pari passu</i> charge on the entire present and future movable fixed assets.

Restrictive covenants with respect to borrowings of VPCL

Our financing agreements contain various financial and restrictive covenants, including *inter alia* that during the currency of the lenders' credit facilities, VPCL shall not:

- (a) Without the bank's prior approval, issue letter of credit in favour of group concerns or related parties;
- (b) Without the bank's prior approval, avail loans outside the banking arrangement unless declined by the bank(s);
- (c) Without the bank's written permission, invest in, lend funds to, issue guarantees for, issue comfort letters for or advance unsecured loans to any group companies or;
- (d) Effect any change in its capital structure;
- (e) Formulate any scheme of amalgamation or reconstruction;
- (f) Implement a new scheme of expansion or undertake any new project or trading activity other than the sale of products arising out of its own manufacturing operations;
- (g) Pay dividends if there is any delay default in principal or interest servicing;

- (h) Permit any transfer of controlling interest or make drastic changes in its management set-up; or
- (i) Repay monies brought in by the promoters, directors, principal shareholders and their friends or relatives by way of deposits, loans or advances.

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, Subsidiaries, Directors, Promoters or Group Company; (ii) pending action by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, Promoters or Group Company; (iii) outstanding claims involving our Company, Subsidiaries, Directors, Promoters or Group Company for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated for economic offences against our Company; (v) pending defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding this Draft Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company and Subsidiaries during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (viii) prosecutions filed (whether pending or not); fines imposed or compounding of offences for our Company and Subsidiaries, in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (ix) litigation or legal action against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Draft Red Herring Prospectus; (x) other pending litigations involving our Company, Subsidiaries, Directors, Promoters, Group Company or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI Regulations; or (xi) outstanding dues to creditors of our Company (on a standalone basis) as determined to be material by the Company's Board of Directors in accordance with the SEBI Regulations; and (xii) dues to small scale undertaking and other creditors.

Details of other legal proceedings, determined to be material by our Board of Directors and currently pending involving our Company, Subsidiaries, Directors, Promoters and Group Company are set forth below. Pursuant to the SEBI Regulations, for the purposes of disclosure, all other pending litigation involving our Company, Directors, Promoters Subsidiaries and Group Company, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 10 million or such pending litigation proceedings which are material from the perspective of the business, operations, prospects or reputation of our Company.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal litigation involving our Company

Criminal proceedings against our Company

There are no outstanding criminal proceedings initiated against our Company.

Criminal proceedings by our Company

There are no outstanding criminal proceedings initiated by our Company.

B. Pending action by statutory or regulatory authorities involving our Company

As on the date of this Draft Red Herring Prospectus there is no pending action by statutory or regulatory authorities involving our Company.

C. Tax proceedings against our Company

Direct tax proceedings

There are four income tax proceedings pending against our Company and the total financial implication on our Company pursuant to such claims is ₹ 38.65 million. Further, our Company has received three notices

of assessment from the Income Tax Department. Our Company has replied and submitted the relevant information sought by the Income Tax Department pursuant to such notices.

Indirect Tax Proceedings

There are 29 indirect tax proceedings involving our Company and the total financial implication on our Company pursuant to these proceedings is ₹ 18.73 million.

TDS notices

There is one pending proceeding against our Company in relation to alleged delay in deposit of TDS. The financial implication arising out of the aforementioned proceeding is not ascertainable and no demand has been raised by the Income Tax Department.

D. *Proceedings initiated against our Company for economic offences*

As on the date of this Draft Red Herring Prospectus there are no proceedings initiated against our Company for any economic offences.

E. *Default and non – payment of statutory dues*

Except as stated in the section titled “*Financial Information*” on pages F-1 to F-88, our Company does not owe any statutory dues and has not made any defaults or committed any acts involving non-payments of its statutory dues.

F. *Material frauds against our Company*

There have been no material frauds committed against our Company in the last five years preceding the date of this Draft Red Herring Prospectus.

G. *Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956*

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company in the last five years, and no prosecution has been filed, or fines imposed, or compounding of offences done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

H. *Other material outstanding litigation involving our Company*

Material outstanding litigation against our Company

There are no material outstanding proceedings initiated against our Company.

Material outstanding litigation by our Company

The following material outstanding civil proceedings have been initiated by our Company:

1. Our Company filed a special leave petition (20432 of 2012) before the Supreme Court of India against the Haryana Urban Development Authority, challenging the order of High Court of Punjab and Haryana dated April 30, 2012 which set aside a remand order dated June 22, 2003 and final order dated May 31, 2007 passed by revisional authority-cum-Financial Commissioner & Secretary, Department of Town & Country Planning, Haryana (“**FACTCP**”). Our Company had applied to the respondent for a plot of institutional land in Sector 44, Gurgaon in the year 2000 and paid the earnest money upfront. Upon draw of lots, our Company was allotted a plot of land measuring 1196 square yards, and issued an allotment letter dated

April 24, 2001. Subsequent to a request by our Company to allot an alternate plot, the respondent cancelled the said allotment and forfeited the earnest money deposited by our Company by its letter dated December 11, 2001. Aggrieved, our Company filed an appeal dated December 17, 2002 before FCTCP, also a respondent in the special leave petition. The FCTCP, pursuant to an order dated June 22, 2003, remanded the respondent to explore option of providing an alternate plot or restore the original allotment to our Company. Subsequently, pursuant to an order of its Chief Administrator dated April 13, 2006, the respondent upheld the original cancellation order and confirmed cancellation of any allotment to our Company. Our Company filed a revision petition dated May 10, 2006 before FCTCP, which, pursuant to its order dated May 31, 2007, upheld the appeal. Our Company then deposited the balance amount of ₹ 10.47 million towards payment for original allotment, along with interest with the respondent, as per the demand raised, which was subsequently returned by the respondent. In February 2008, the respondent filed a writ petition before the High Court of Punjab and Haryana which, pursuant to its order dated April 30, 2012, upheld the petition and quashed the orders of FCTCP. Aggrieved by the order of High Court, our Company filed this special leave petition dated July 6, 2012. The matter is currently pending.

2. Our Company filed arbitration application (84 of 2011) dated March 1, 2011 under Section 11 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi (“**High Court**”) praying for the appointment of an arbitrator by the High Court to adjudicate a dispute arising out of the violation of terms of a lease agreement dated August 30, 2008 between our Company and Mrs. Daya Makhija (“**Landlord**”). The dispute was in relation to alleged misrepresentation and concealment of facts regarding unauthorized construction at the premises leased out to our Company by the Landlord, pursuant to which the premises were subjected to a demolition/sealing action by the Municipal Corporation of Delhi. The High Court of Delhi by its order dated October 3, 2011 disposed of the arbitration application and appointed a sole arbitrator. Our Company filed a statement of claim dated July 30, 2012 before the learned arbitrator praying, *inter alia*, for the award of an amount of ₹ 15.81 million towards renovation of the premises, refund of security deposit and loss of brand image, along with interest at 18% per annum and cost of the proceedings. By her reply dated October 4, 2012, Ms. Daya Makhija denied all claims by our Company, submitted that the Company had been aware of the ongoing proceedings regarding the unauthorized construction at the premises in question and further denied her liability for refund of security deposit as adjustment against arrears of outstanding rent for two months. Thereafter, our Company filed a rejoinder dated December 12, 2012 reasserting its claims. The matter is currently reserved for an order.

I. Outstanding dues to small scale undertakings or any other creditors

As per the materiality policy approved by the Board for identification of material creditors, such creditor of the Company, on a standalone basis, shall be considered to be material for the purpose of disclosure in the Offer Documents, if amounts due to any one of them exceeds 5% of standalone trade payables as per the last standalone audited financial statements of our Company.

As of March 31, 2015, our Company, based on our standalone financials, had 1,295 creditors, to whom a total amount aggregating to ₹ 408.96 million was outstanding. Of these, two were material creditors, being creditors to whom, individually, an amount exceeding ₹ 20.45 million, being 5% of standalone trade payables as per the last standalone audited financial statements of our Company is outstanding, as determined to be material by our Board of Directors and the total amount due to such material creditors was ₹ 98.37 million. As of March 31, 2015, a total amount of ₹ 20.91 million was outstanding for Havas Media India Private Limited and an amount of ₹ 77.41 million was outstanding to VPCL, which is a medium scale enterprise. Based on available information regarding status of suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as of March 31, 2015, our Company did not owe any dues to any small scale undertakings. For further details, see www.vlccwellness.com.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.vlccwellness.com, would be doing so at their own risk.

J. *Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Company*

There are no outstanding litigation, suits, criminal or civil proceedings, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices involving any other person or company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

II. *Litigation involving our Subsidiaries*

A. *Outstanding criminal litigation involving our Subsidiaries*

Criminal proceedings against our Subsidiaries

There are no outstanding criminal proceedings initiated against our Subsidiaries.

Criminal proceedings by our Subsidiaries

Except as stated below, there are no outstanding criminal proceedings initiated by our Subsidiaries.

VLCC Personal Care Limited

VPCL has filed various complaints for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. Currently, there are 12 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 4.01 million.

B. *Pending action by statutory or regulatory authorities involving our Subsidiaries*

There are no pending actions by statutory or regulatory authorities involving our Subsidiaries.

C. *Tax proceedings against our Subsidiaries*

Direct tax proceedings

VPCL has received three notices of assessment from the Income Tax Department, to which it has replied from time to time with the relevant information sought by the Income Tax Department. The total financial implication with respect to these matters is not ascertainable.

Indirect Tax Proceedings

There are 3 indirect tax proceedings involving VPCL and the total financial implication on VPCL pursuant to these proceedings is ₹ 4.52 million.

D. *Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956*

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Subsidiaries in the last five years, and no prosecution has been filed, or fines imposed, or compounding of offences done by our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

E. *Other material outstanding litigation involving our Subsidiaries*

There is no material pending litigation involving our Subsidiaries, determined to be material by our Board of Directors.

III. Litigation involving our Directors

A. Outstanding criminal litigation involving our Directors

Criminal proceedings against our Directors

There are no outstanding criminal proceedings initiated against our Directors.

Criminal proceedings by our Directors

There are no outstanding criminal proceedings initiated by our Directors.

B. Pending action by statutory or regulatory authorities involving our Directors

There are no pending actions initiated by statutory or regulatory authorities involving our Directors.

C. Tax proceedings against our Directors

There are two pending income tax proceedings against Mr. Mukesh Luthra and the total financial implication on Mr. Mukesh Luthra pursuant to these proceedings is ₹ 26.59 million.

D. Other material outstanding litigation involving our Directors

There are no material outstanding litigation proceedings involving our Directors.

IV. Litigation involving our Promoters

A. Outstanding criminal litigation involving our Promoters

Criminal proceedings against our Promoters

There are no outstanding criminal proceedings against our Promoters.

Criminal proceedings by our Promoters

There are no outstanding criminal proceedings initiated by our Promoters.

B. Pending action by statutory or regulatory authorities involving our Promoters

There are no pending actions initiated by statutory or regulatory authorities against our Promoters.

C. Tax Proceedings against our Promoters

Tax proceedings against Mr. Mukesh Luthra

For details of outstanding tax proceedings against Mr. Mukesh Luthra, see the section titled “– Litigation involving our Directors” on page 283.

Tax proceedings against Ms. Vandana Luthra

Ms. Vandana Luthra has received two notices for appearance and furnishing of information, in relation to returns filed by her for income tax and wealth tax in Assessment Year 2013-2014.

Further, Ms. Vandana Luthra has also received a notice in relation to alleged non or short payment of service tax till August 2014, in Fiscal Year 2015. Ms. Vandana Luthra has submitted documents as required pursuant to the notice.

D. Other material outstanding litigation involving our Promoters

There are no material outstanding litigation proceedings involving our Promoters.

E. Litigation or legal action by the Government of India or any statutory authority in last five years

There is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

V. Litigation involving our Group Company

A. Outstanding criminal litigation involving our Group Company

Criminal proceedings against our Group Company

There are no outstanding criminal proceedings initiated against our Group Company.

Criminal proceedings by our Group Company

There are no outstanding criminal proceedings initiated by our Group Company.

B. Pending action by statutory or regulatory authorities involving our Group Company

There is no pending action by statutory or regulatory authorities involving our Group Company

C. Tax proceedings against our Group Company

There are no outstanding tax proceedings initiated by our Group Company.

D. Other material outstanding litigation involving our Group Company

There are no other material outstanding legal proceedings involving our Group Company.

Material developments since the last balance sheet date

To our knowledge, no circumstances have arisen since March 31, 2015, the date of the last restated financial information disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or profitability taken as a whole, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2015 that May Affect Our Future Results of Operations*” on page 259, there is no development subsequent to March 31, 2015 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Offer and our Company and our Subsidiaries mentioned below can respectively undertake their current business activities. Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake this Offer or continue such business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled “*Regulations and Policies*” on page 176.

A. Approvals relating to the Fresh Issue

1. The Board, pursuant to its resolution dated August 12, 2015, authorised the Fresh Issue;
2. The shareholders of our Company have, pursuant to their resolution dated August 14, 2015 under Section 62(1)(c) of the Companies Act, 2013, authorised the Fresh Issue;
3. In-principle approval from the NSE dated [●]; and
4. In-principle approval from the BSE dated [●].

B. Approvals relating to Offer for Sale

1. Indivision India Partners has approved its participation in the Offer for Sale pursuant to a resolution of its board of directors dated June 19, 2015 and has provided its consent to offer up to 2,552,929 Equity Shares by its consent letter dated September 14, 2015.
2. Leon International Limited has approved its participation in the Offer for Sale pursuant to a resolution of its board of directors dated September 11, 2015 and has provided its consent to offer up to 1,213,899 Equity Shares by its consent letter dated September 15, 2015.
3. The IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 23, 2015.

C. Corporate Approvals

1. Certificate of incorporation dated October 23, 1996 issued by the RoC in the name of Curls & Curves (India) Private Limited.
2. Fresh certificate of incorporation dated April 20, 1999, consequent upon conversion of the Company to a public limited Company as ‘Curls & Curves (India) Limited’ issued by the RoC.
3. Fresh certificate of incorporation dated November 18, 2004, consequent upon change in name of the Company to ‘VLCC Health Care Limited’ issued by the RoC.
4. Corporate Identification Number U74899DL1996PLC082842 issued by the RoC, Ministry of Corporate Affairs, Government of India.
5. Importer exporter code 0500038244 issued by the Office of the Zonal Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.
6. Permanent Account Number AAACC4808P issued by the Income Tax Department, Government of India.
7. Tax Deduction Account Number DELC06134C issued by the Income Tax Department, Government of India.

D. Approvals for prior investments and collaborations

S. no.	Description	Authority	Reference/ Registration no.	Dated
1.	Post-facto approval ⁽¹⁾ for foreign equity participation by Shine Limited, through issuance of warrants representing 13.65% equity stake in our Company and redeemable preference shares for an amount of ₹ 354.11 million to Shine Limited.	FIPB, Department of Economic Affairs	No. FC II : 193(2008)/176(2008)	September 12, 2008, as amended on December 2, 2008
2.	Approvals to operate as a ‘master-franchise’ to establish, sub-franchise, manage, develop and operate “health and wellness centers (residential/ non-residential)” under the trade mark “Pritikin” and extend/furnish royalty payments to Pritikin Organisation, LLC in terms of our Company’s master franchise agreement dated March 28, 2008 with Pritikin Organisation, LLC	Department of Industrial Policy & Promotion, Secretaries for Industrial Assistance, Ministry of Commerce & Industry	No. 72(2008)/33(2008)/PAB-IL	September 18, 2008

⁽¹⁾ The Chief General Manager, Foreign Exchange Department, RBI, pursuant to a compounding order (C.A. 331/ 2008) dated December 5, 2008, directed our Company to deposit an amount of ₹ 0.7 million on account of not having obtained prior approval of the FIPB in relation to the issuance of share warrants of an amount of USD 3 million to Shine Limited by our Company, in contravention of Regulation 3 read with Regulation 4 and paragraph 2(1) of Schedule 1 to the FEMA Regulations. An ex-post facto approval in relation to the abovementioned issuance was granted issued by FIPB pursuant to its approval dated September 12, 2008, as amended on December 2, 2008, which was subject to compounding of the contravention by RBI. Our Company deposited the aforementioned amount in terms of the compounding order, as certified by the RBI on February 9, 2009.

E. Business Approvals

We have received the following significant approvals pertaining to our business:

I. Manufacturing units

Set forth below are details of key approvals in relation to our manufacturing units at Haridwar, India (“**Haridwar Unit**”) and at Singapore (“**Singapore Unit**”):

Haridwar Unit

As on the date of this Draft Red Herring Prospectus, the key consents, licenses, permissions and approvals obtained in the name VLCC Personal Care Limited, our Subsidiary are as given below:

S. no.	Description	Authority	Reference/ Registration no.	Effective date of issuance/ last renewal	Validity
1.	License for the manufacture for sale of Ayurvedic/ Siddha or Unani drugs under the Drugs and Cosmetics Act, 1940 for 142 products	Directorate of Ayurvedic and Unani Services, Uttarakhand, Dehradun	Uttra.Ayu-177/2009	August 24, 2009. Last renewed on January 24, 2013, with effect from August 24, 2012	August 23, 2017
2.	License for the manufacture cosmetics for sale or distribution in the domestic market and registration and export of cosmetics in overseas markets* under the Drugs and Cosmetics Act, 1940 for 470 products.	Drugs Licensing and Controlling Authority, Uttarakhand	9/C/UA/2009	July 28, 2009. Last renewed on October 13, 2014, with effect from July 28, 2014	July 27, 2019
3.	Approval for electricity connection and DG set installation	Assistant Electric Inspector Uttarakhand Government Roorkee Zone, Roorkee	No.1466 AEI/Roorkee Zone/Generator/2009-2010	March 30, 2010	-
4.	No objection certificate from the fire department, Haridwar	Chief Fire Officer, Haridwar	N-6/CFO-S/15	January 17, 2015	One year
5.	Registration and license to work a factory under the Factories Act, 1948	Director of Factories, Uttaranchal	H.W.R. 780	June 10, 2009, last renewed on January 1, 2015	December 31, 2015
6.	Registration as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970	Regional Deputy Labour Commissioner, Garhwal Division, Niranjanpur, Saharanpur Road, Dehradun	No.423/DCL/09	July 20, 2009	-
7.	Certificate of importer exporter code	Foreign Trade Development Officer, Office of Zonal Director General of Foreign Trade	0503006025	May 2, 2003, last renewed on June 24, 2011	-
8.	Consent to establish	Regional Office, Uttaranchal Environment Protection and Pollution Control Board, Dehradun	UEPPCB/ROD/NOC-797/06/9054	January 12, 2007	-
9.	Registration under the Legal Metrology (Packaged Commodity) Rules, 1977	Controller of Weights and Measurement, Uttarakhand Government, Dehradun	No. 96-(186-30) PVN/GEN-2010	March 20, 2010	-
10.	Registration under the Finance Act, 1994 read	Central Board of Excise and Customs,	AABCV6538QSD004	March 17, 2010,	-

S. no.	Description	Authority	Reference/ Registration no.	Effective date of issuance/ last renewal	Validity
	with the Service Tax Rules, 1994	Department of Revenue, Ministry of Finance		amended on November 25, 2013	

* As clarified by the Drugs Licensing and Controlling Authority, Uttarakhand, vide letter dated August 13, 2009.

VPCL received an acknowledgement dated March 28, 2006 from the Secretariat for Industrial Assistance, Ministry of Commerce & Industry for the industrial entrepreneur memorandum filed by VPCL for manufacture of preparations for use on hair and manufacture of cosmetics and toilet aids.

VPCL received an acknowledgement dated September 18, 2015 from the District Industries Centre, Roorkee (Haridwar), for registration as a medium enterprise manufacturing, *inter alia*, creams, lotions, oils, shampoos, balms, food and nutraceuticals under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

VPCL has also obtained registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (registration code being GNGGN0026087000) and Employees' State Insurance Act, 1948 (registration codes being 69000323710001099 for Gurgaon and 61130323710021001 for Haridwar).

Pending approvals

As on the date of this Draft Red Herring Prospectus, the following applications have been submitted and are currently pending:

S. No.	Registration/ Renewal	Authority	Date
1.	Renewal of the consolidated consent to operate under the Air Act, Water Act and Hazardous Wastes Rules	Uttarakhand Environment Protection and Pollution Control Board	May 18, 2015

Singapore unit

As on the date of this Draft Red Herring Prospectus, the key consents, licenses, permissions and approvals obtained in the name Celblo, our Subsidiary are as given below:

1. Celblo has a manufacturer registration from Singapore Customs which is valid till September 13, 2017.
2. Celblo had obtained two certificates of registration of a factory dated August 11, 2008, which expired on July 31, 2009. One certificate of registration is for the premises at 194 Pandan Loop, #07-25, Pantech Industrial Complex, Singapore 128383 which does silkscreen printing and the other certificate of registration is for 194 Pandan Loop, #07-10, Pantech Industrial Complex, Singapore 128383 which manufactures skincare products. The Ministry of Manpower, Singapore Government has informed Celblo vide its emails dated December 30, 2014 and July 21, 2015 that the two factories indicated above are under the factory notification scheme and will not require a certificate of registration in order to operate. Celblo has obtained all the manufacturing permits and licences (including environmental approval) required to be obtained under applicable laws.
3. Celblo has registered with the Agri-food & Veterinary Authority of Singapore as an importer of processed food and food appliances. The registration is valid for one year till September 30, 2016 and needs to be renewed annually. Celblo has all the product permits required to be obtained under applicable laws.

4. Celblos has obtained a permit for use, possession and control of hazardous substances under Regulation 17 of the Environmental Protection and Management (Hazardous Substances) Regulations on May 22, 2015 from the National Environment Agency which expires on April 23, 2016 for the hazardous substances hydrochloric acid, mercuric acetate, mercuric chloride, mercuric nitrate and laboratory reagents for the purpose of research and development. There are no known or suspected environmental, health and safety problems in relation to past or present activities; or any actual or alleged non-compliance, investigations, disputes, litigation, liability, settlement or responsibility under domestic or foreign environmental, health and safety laws, rules and regulations. Celblos has all material environmental, health and safety permits and licenses required to be obtained under applicable laws.

II. *Health and wellness services*

As of July 31, 2015, we owned and operated 175 wellness centers, comprising of 127 wellness centers in India and 48 wellness centers overseas. Various approvals, licenses and registrations under several central or state-level acts, rules and regulations are required to operate wellness centers in India, which differ on the basis of the location as well as the nature of services specific to each of the wellness centers. The key approvals typically required for the operation of wellness centers in India are:

1. *Shops and establishments' registrations:* In states where our wellness centers are operated, registrations under the respective shops and establishment acts of those states, wherever enacted and in force, would be required. The terms of such registrations and renewal requirements as well as processes may differ under the state legislations and may be subject to renewals, as applicable.
2. *Trade licenses from relevant municipal authorities:* Our Company is required to obtain licenses to provide health related and other services at some of our wellness centers, from the respective municipal authorities of areas where such centers are operated. Such licenses may be subject to renewals, as applicable.
3. *Registrations under the Legal Metrology Act, 2009:* Our Company is required to obtain registrations for gym and other equipment at our wellness centers under the erstwhile Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Enforcement) Act, 1985 and the rules made there under, as superseded and substituted by the Legal Metrology Act, 2009.
4. *Licenses for performance of musical and literary works:* Our Company is required to obtain public performance licenses issued by the Indian Performing Right Society Limited and the Phonographic Performance Limited, for playing pre-recorded musical and accompanying literary works under the Copyright Act, 1957 at its various wellness centers across India.
5. *Tax registrations:* Various registrations are required to be obtained from the state commissioners or departments under central or state-level tax legislations, including for value added tax, entry tax and sales tax, as applicable, as well as permission under the service tax for providing services under different categories.
6. *FSSAI registrations:* Our Company is required to obtain registrations for sale, storage or distribution of packaged food products from the Food Safety and Standards Authority of India ("FSSAI"), under the Food Safety and Standards Act, 2006 read with the Food Safety and Standard (Licensing & Registration of Food Business) Regulations, 2011.

Pending approvals and applications

From time to time, certain approvals may lapse in their normal course. Our Company has either made an application to the appropriate authorities for renewal of such licenses, approvals or registrations, or is in the process of making such applications.

As of July 31, 2015, out of 127 wellness centers owned and operated by our Company in India, in relation to the top 31 wellness centers (on the basis of their contribution to our revenue and EBITDA on a consolidated basis for Fiscal Year 2015) (“**Major Indian Wellness Centers**”), we currently hold all aforementioned key approvals as required, except the following approvals for which applications are currently pending before the relevant authorities:

S. No.	Location	Registration/ Renewal	Authority	Date of Application
FSSAI registrations				
1.	Marine Drive, Mumbai	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	May 25, 2015
2.	Christian Basti, Guwahati, Assam	Registration for retail of food products	Department of Health and Family Welfare, Government of Assam	March 11, 2015
3.	TTK Road, Chennai	Registration for retail of food products	The Tamil Nadu Food Safety and Drug Administration Department, Government of Tamil Nadu	May 26, 2015
4.	Chembur, Mumbai	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	May 25, 2015
5.	Bhandarkar Road (Law College Road), Pune	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	August 5, 2014
6.	Vashi, Mumbai	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	August 14, 2014
7.	Malad, Mumbai	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	August 21, 2014
8.	Safdarjung Enclave, New Delhi	Registration for retail of food products	Department of Food Safety, New Delhi	May 25, 2015
9.	Aundh, Pune	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	August 4, 2014
10.	Greater Kailash, Part II, New Delhi	Registration for retail of food products	Department of Food Safety, New Delhi	July 4, 2014
11.	Preet Vihar, New Delhi	Registration for retail of food products	Department of Food Safety, New Delhi	July 9, 2014
12.	Mulund, Mumbai	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	May 25, 2015
13.	Manpada, Thane, Mumbai	Registration for retail of food products	Food and Drug Administration, Government of Maharashtra	August 14, 2014
14.	Nazrul Islam Avenue, VIP Road, Kolkata, West Bengal	Registration for retail of food products	Food Safety Officer, North 24 Parganas, West Bengal	June 8, 2015

S. No.	Location	Registration/ Renewal	Authority	Date of Application
Trade licenses from relevant municipal authorities				
15.	Nazrul Islam Avenue, Teghoria, West Bengal	Application for new Certificate of Enlistment for carrying on trade of food products.	Executive Officer, Ward No. 11, Rajarhat - Gopalpur Municipality	June 5, 2015
16.	Nazrul Islam Avenue, Teghoria, Kolkata, West Bengal	Application for renewal of Certificate of Enlistment for carrying on trade in healthcare and cosmetics goods.	Executive Officer, Ward No. 11, Rajarhat-Gopalpur Municipality	June 5, 2015
17.	Vasant Vihar Centre, New Delhi	Health Trade License under Wellness Centre/ Health Club/ Gymnasium Category	South Delhi Municipal Corporation	June 30, 2015
18.	Safdarjung Enclave, New Delhi	Health Trade License under Wellness Centre/ Health Club/ Gymnasium Category	South Delhi Municipal Corporation	June 30, 2015
19.	Preet Vihar, New Delhi	Health Trade License under Wellness Centre/ Health Club/ Gymnasium Category	East Delhi Municipal Corporation	July 2, 2015
20.	Greater Kailash, Part-II, New Delhi	Health Trade License under Wellness Centre/ Health Club/ Gymnasium Category	South Delhi Municipal Corporation	June 30, 2015
21.	Christian Basti, Guwahati	Application for renewal of Trade Licence	Guwahati Municipal Corporation	August 29, 2015

In addition to the above licenses, approvals and registrations, we have also received accreditations in relation to certain of our services as well as products. For details of such accreditations, see the section titled “*History and Certain Corporate Matters – Awards and Accreditations*” on page 181.

III. **Beauty care and wellness vocational educational services**

Currently, we own and operate 42 vocational education institutes in India. The key approvals and affiliations typically required in relation to the operation of vocational education institutes in India are:

1. *Shops and establishments’ registrations:* In states where our vocational education institutions are operated, registrations under the respective shops and establishment acts of those states, wherever enacted and in force, are required to be obtained.. The terms of such registrations and renewal requirements as well as processes may differ under the state legislations and may be subject to renewals, as applicable.
2. *Trade licenses from relevant municipal authorities:* Our Company is required to obtain licenses to provide training and other services with respect to certain of our VLCC Institutes from the respective municipal authorities of areas where such VLCC Institutes are located, in terms of requirements of local laws.
3. *Tax registrations:* Registrations are required to be obtained from the state commissioners or departments under central or state-level sales tax legislations as well as permission under the centralized service tax for providing vocational training and other services at such institutions.

Pending approvals and applications

As of July 31, 2015, out of 42 vocational education institutes owned and operated by our Company in India, in relation to the top 12 vocational education institutes (on the basis of their contribution to our revenue and EBITDA on a consolidated basis for Fiscal Year 2015) (“**Major Indian Vocational Education Institutes**”), we currently hold all aforementioned key approvals as required.

Further, in relation to our Major Indian Vocational Education Institutes, our Company is in the process of making the following applications before the relevant authorities:

S. No.	Location	Description	Registration/ Renewal	Authority
1.	Airport Road, Bangalore, Karnataka	Trade license from the Bruhat Bangalore Mahanagara Palike	Registration	Bruhat Bangalore Mahanagara Palike

In addition to the above licenses, approvals and registrations, we have also received affiliations with the Beauty & Wellness Sector Skill Council funded by the National Skill Development Corporation in relation to our Major Indian Vocational Education Institutes. Our Company is presently registered as a vocational training provider under the Skill Development Initiative Scheme of the Directorate General of Employment and Training, Ministry of Skill Development and Entrepreneurship for providing training at our various institutes, including those located at Noida, Dwarka, Faridabad, Howrah, Kohima and Bangalore. A number of our vocational education institutes are also registered under the Pradhan Mantri Kusal Vikas Yojna, an initiative of the Government of India. Our Company has also entered into a memorandum of understanding with the Ministry of Minority Affairs for providing training in the beauty segment at our VLCC Institutes at various locations.

The quality management system for provision of education and training on wellness and beauty of our Company has received an ISO 9001:2008 accreditation. See the section titled *“History and Certain Corporate Matters – Awards and Accreditations”* on page 181.

G. Intellectual Property related approvals

Patents

We have applied for patents in India for certain of our formulations, which would be registered in the name of VPCL, our Subsidiary. Currently, there are four such applications pending, as set forth below:

S. No.	Date	Authority	Reference / Registration Number	Description
1.	March 17, 2008	Controller of Patents, The Patents Office, Delhi	679/DEL/2008	Formulation for hip, thigh and arm firming - herbal shape-up composition to minimize the appearance of sagging hips, thighs and arms by reducing cellulite and unwanted fat deposited under the skin. Examination report dated June 6, 2013 received from the Controller of Patents, to which VPCL submitted a response on June 4, 2014. Application for prior approval to apply for the patent was submitted before the National Biodiversity Authority (“NBA”) on May 19, 2014, and further information sought by NBA was submitted on May 26, 2015.
2.	March 14, 2008, as amended on June 12, 2014	Controller of Patents, The Patents Office, Delhi	662/DEL/2008	Formulation for waist and tummy firming – Herbal shape-up composition to minimize the appearance of sagging waist and tummy by reducing cellulite and

S. No.	Date	Authority	Reference / Registration Number	Description
				unwanted fat deposited under the skin. Examination report dated June 14, 2013 received from the Controller of Patents, to which VPCL submitted a response on June 13, 2014. Application for prior approval to apply for the patent was submitted before the NBA on May 19, 2014, and further information sought by NBA was submitted on May 26, 2015.
3.	March 14, 2008	Controller of Patents, The Patents Office, Delhi	661/DEL/2008	Formulation for bust/ breast firming – Herbal shape-up composition to minimize the appearance of sagging bust/ breast by reducing cellulite and unwanted fat deposited under the skin. Examination report dated May 21, 2013 received from the Controller of Patents, to which VPCL submitted a response on May 19, 2014. Application for prior approval to apply for the patent was submitted before the NBA on May 16, 2014, and further information sought by NBA was submitted on May 26, 2015.
4.	April 3, 2008	Controller of Patents, The Patents Office, Delhi	876/DEL/2008	Formulation for neck and chin reduction – Herbal shape-up composition to minimize the appearance of chin and neck by reducing cellulite and unwanted fat deposited under the skin. Examination report dated May 23, 2013 received from the Controller of Patents, to which VPCL submitted a response on May 22, 2014. Application for prior approval to apply for the patent was submitted before the NBA on May 19, 2014, and further information sought by NBA was submitted on May 26, 2015.

Trademarks

We have registered the “VLCC” trademark under various classes with the Registrar of Trademarks in India under the Trade Marks Act, 1999. These trademarks are currently registered in the name of VLCC India Limited, our Subsidiary, and were assigned to our Company pursuant to a deed of assignment dated February 28, 2008 for a total consideration of ₹ 100. Our Company submitted applications dated April 7, 2008 and April 26, 2011 for taking this assignment on record, which are currently pending.

Details of the classes under which the “VLCC” trademark has been registered are set forth below:

S. No.	Description	Authority	Reference / Registration Number	Date	Validity
1.	Registration of “VLCC” (label) in class 30 for food supplements.	The Registrar of Trade Marks, Trade Marks Registry, Mumbai	388070	June 14, 2005	May 30, 2021

Details of the classes under which renewal applications for the “VLCC” trademark have been filed are set forth below:

S. No.	Description	Authority	Reference/ Registration Number	Date of Expiry of Registration	Date of filing Renewal Application
1.	Request for renewal of registration of “VLCC” in class 3 for cosmetics including hair oils.	The Registrar of Trade Marks, Trade Marks Registry, Mumbai	387772	May 30, 2011	November 25, 2011
2.	Request for renewal of registration of “VLCC” in class 5 for medicinal and pharmaceutical preparations.	The Registrar of Trade Marks, Trade Marks Registry, Mumbai	378735	May 30, 2011	February 18, 2011
3.	Request for renewal of registration of “VLCC” in class 30 for food supplements.	The Registrar of Trade Marks, Trade Marks Registry, Mumbai	396927	May 30, 2011	February 18, 2011
4.	Request for renewal of registration of “VLCC” (label) in class 3 for cosmetics including hair oils.	The Registrar of Trade Marks, Trade Marks Registry, Mumbai	560181	May 30, 2011	February 18, 2011.
5.	Request for renewal of registration of “VLCC” (label) in class 5 for medicinal and pharmaceutical preparations.	The Registrar of Trade Marks, Trade Marks Registry, Mumbai	294351	May 30, 2011	February 18, 2011.
6.	Request for renewal of registration of “VLCC” (label) in class 3 for cosmetics and aromatherapy products, in class 5 for medicinal and pharmaceutical products, in class 16 for paper articles and printed material and in class 42 for beauty salon services, massage services and hairdressing salon services.	The Registrar of Trade Marks, Trade Marks Registry, Mumbai	651796	June 17, 2015	July 2, 2015.

Additionally, for various associated trademarks in respect of our products and services, we currently have 44 registered trademarks in India and 92 registered trademarks internationally, and have 56 applications pending registration in India and 20 applications pending registration internationally. Of these, our Company uses certain trademarks registered and/or applied for in the name of our wholly Subsidiary, VLCC Personal Care Limited, as well as three “Anti-Obesity Day” trademarks which were registered in the name of our Promoter, Ms. Vandana Luthra.

Copyrights

We currently have one registered copyright for the VLCC Leaf design (logo) registered in favour of VPCL, our Subsidiary, details of which are given below:

S. No.	Description	Authority	Reference / Registration Number	Date
1.	Registration of the VLCC Leaf design  as an artistic work	Deputy Registrar of Copyrights, Copyright Office	A-106952/2013	October 21, 2013

We have applied for registration of copyrights in relation to certain of our logos, including our corporate logo and certain products. Currently, there are six such applications pending in India, as set forth below:

Applications by VLCC Health Care Limited

S. No.	Date	Authority	Reference / Registration Number	Description
1.	Application dated June 15, 2013 filed on June 18, 2013	The Registrar of Copyrights, Copyright Office, New Delhi	5748/2013/COA	Application filed for the registration of the artistic work titled VLCC (corporate logo). The Application is pending with the Authority.
2.	Application dated May 17, 2008 filed on May 19, 2008	The Registrar of Copyrights, Copyright Office, New Delhi	3108/08/COA	Application filed for the registration of artistic work titled "THE WELLNESS MOVEMENT".
3.	Application dated June 15, 2013 filed on June 18, 2013 by	The Registrar of Copyrights, Copyright Office, New Delhi	5746/2013/COA	Application filed for the registration of artistic work titled "YES" (logo).

Applications by VLCC Personal Care Limited

S. No.	Date	Authority	Reference / Registration Number	Description
1.	Application dated May 17, 2008 filed on May 19, 2008	The Registrar of Copyrights, Copyright Office, New Delhi	3068/08/COA	Application filed for the registration of artistic work titled "VEDANTICS".
2.	Application dated May 17, 2008 filed on May 19, 2008	The Registrar of Copyrights, Copyright Office, New Delhi	3067/08/COA	Application filed for the registration of artistic work titled "AMAANI".
3.	Application dated February 28, 2013 filed on March 7, 2013	The Registrar of Copyrights, Copyright Office, New Delhi	2702/2013/COA	Application filed for the registration of artistic work titled "HANDS-ON EXPERTISE".

Designs

We currently have two registered designs, registered in favour of VPCL, our Subsidiary, as set forth below:

S. No.	Description	Authority	Reference / Registration Number	Date	Validity

S. No.	Description	Authority	Reference / Registration Number	Date	Validity
1.	 for shape, configuration and surface pattern of the 'Jar', under class 09-01	Controller General of Patents Designs and Trademarks, New Delhi	217568	August 5, 2008, published in the Patent Office Journal on January 28, 2011	August 5, 2018
2.	 for shape and configuration of the 'Bottle' under class 09-01	Controller General of Patents Designs and Trademarks, New Delhi	217567	August 5, 2008, published in the Patent Office Journal on January 28, 2011	August 5, 2018

Agreements/ Arrangements for the use of Trademarks

1. Our Company entered into a master franchise agreement dated March 28, 2008 with The Pritikin Organization, LLC in accordance with which our Company and any our sub-franchisees which our Company may appoint pursuant to the terms of this agreement, have been authorized to use certain trademarks registered/to be registered by Pritikin Organization, LLC in connection with the right and franchise granted to our Company to establish, manage, promote and market Pritikin centers in India, Bangladesh, Sri Lanka, Nepal and Pakistan.

Except as disclosed herein above, we have not entered into any agreements/ licenses pursuant to which we are entitled to use any intellectual property, including trademarks registered in the name of third parties.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

- Our Board has, pursuant to its resolution dated August 12, 2015, authorised the Fresh Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- The shareholders of our Company have authorised the Fresh Issue by a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the AGM held on August 14, 2015 and authorised the Board to take decisions in relation to this Offer.
- Indivision India Partners and Leon International Limited approved their participation in the Offer for Sale of up to 2,552,929 Equity Shares and 1,213,899 Equity Shares, respectively, pursuant to a resolution of their respective board of directors dated June 19, 2015 and September 11, 2015 and their consent letters, dated September 14, 2015 and September 15, 2015, respectively.
- The IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 23, 2015.
- In-principle approval for the listing of our Equity Shares from the NSE dated [●]; and
- In-principle approval for the listing of our Equity Shares from the BSE dated [●].

Prohibition by SEBI or governmental authorities

We confirm that our Company, the Selling Shareholders, Promoters, Promoter Group, Directors or Group Company have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

There are no violations of securities laws committed by our Promoters, any member of our Promoter Group or our Group Company, in the past or are currently pending against them and neither have our Promoters been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority.

Further, none of the Promoters or any of our Directors or persons in control of our Company was or is a promoter or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI.

None of our Directors are associated with the securities market in any manner, including securities market related business. However, Mr. Sameer Sain is a director on the Board of IndoStar Capital Finance Limited, which has issued non-convertible debentures under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 on private placement basis and are listed with the BSE Limited. Additionally, a subsidiary of IndoStar Capital Finance Limited, IndoStar Asset Advisory Private Limited is acting as Investment Manager to IndoStar Credit Fund, a Category II Alternative Investment Fund registered under the SEBI (Alternative Investment Funds) Regulations, 2012, details of which are provided below:

Name of the Fund	IndoStar Credit Fund
SEBI Registration No.	IN/AIF2/15-16/0147
Category of registration	Category II AIF
Date of Registration / Renewal of registration	29 April 2015
If applied for renewal, date of application	N.A.
Date of expiry of registration	N.A.
Details of any enquiry/ investigation conducted/ action initiated by SEBI at any time	N.A.
Penalty imposed by SEBI, if any (Penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation / prohibitory orders)	N.A.

Further, SEBI has not initiated any action against our Directors or the entities associated with the securities market and with which our Directors are associated as promoters and directors.

Prohibition by RBI

None of our Company, the Selling Shareholders, our Directors, our Promoters, relatives of our Promoters (as defined under the Companies Act, 2013), our Promoter Group, our Subsidiaries or our Group Company have been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Eligibility for this Offer

Our Company is an unlisted company, eligible for the Offer in accordance with Regulation 26(1) of the SEBI Regulations and complying with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial years in terms of issue size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding financial year; and
- Our Company has not changed its name in the last Fiscal Year.

Our Company's net worth, net tangible assets and monetary assets derived from our restated standalone financial information included in this Draft Red Herring Prospectus, as at and for the preceding five Fiscal Years are as given below:

(₹ million)					
Particulars	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011
Net Worth ⁽¹⁾	1,240.04	1,245.04	1,197.74	1,123.14	1,039.13
Net Tangible assets ⁽²⁾	1,107.54	1,159.31	1,136.05	1,076.20	1,012.04
Monetary assets ⁽³⁾	171.81	192.15	186.11	193.35	178.37
Monetary assets as a percentage of the net tangible assets ^{(3)/(2)}	15.51%	16.57%	16.38%	17.97%	17.62%

⁽¹⁾ 'Net Worth' means the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve).

⁽²⁾ Net Tangible Assets is defined as sum of Non-Current Assets (excluding Deferred Tax Assets, Intangible Assets (including intangible assets under development) and Revaluation Reserve) and Current Assets less non-current liabilities (excluding deferred tax liabilities) and current liabilities.

⁽³⁾ 'Monetary Assets' comprise cash and bank balances (excluding deposits more than twelve months maturity) and credit card receivables.

Our Company's average pre-tax operating profit derived from our restated standalone financial information included in this Draft Red Herring Prospectus, as at and for the preceding five Fiscal Years are as given below:

(₹ million)					
Particulars	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011
Pre-Tax Operating Profit ⁽¹⁾	436.63	486.98	522.42	457.72	278.88

Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2014, 2013 and 2012) out of the immediately preceding five years is ₹ 489.04 million.

⁽¹⁾ Pre-tax Operating Profit is defined as the restated Profit Before Tax excluding Extraordinary and Exceptional items but after adjusting minority interest, Other Income and Finance Cost.

In accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded. In case of delay, if any, in refund within such timeline as prescribed under

applicable laws, our Company and Selling Shareholders shall pay interest on the application money at the rate of 15% per annum for the period of delay provided that subject to Applicable Law, a Selling Shareholder shall not be responsible to pay interest unless such delay has been caused by such Selling Shareholder, in which case the Company shall be responsible for payment of such interest.

This Offer is being made for at least 10% of the fully diluted post-Offer capital, pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. For further details, see “*Offer Procedure*” on page 322.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations, to the extent applicable:

- (a) Our Company, the Selling Shareholders, our Promoters, the members of our Promoter Group, our Directors and the persons in control of our Company are not debarred from accessing the capital markets under any order or direction passed by SEBI;
- (b) The companies with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control are not debarred from accessing capital markets under any order or direction passed by SEBI;
- (c) Our Company has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the [●] shall be the Designated Stock Exchange;
- (d) Our Company along with the Registrar to the Offer has entered into agreements dated February 12, 2015 and October 28, 2014 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares; and
- (e) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

We propose to meet our expenditure towards the objects of the Offer entirely out of the proceeds of the Fresh Issue, and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C (1) of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing identifiable internal accruals) does not apply. For further details in this regard, see the section titled “*Objects of the Offer*” on page 94.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND AXIS CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND AXIS CAPITAL LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND AXIS CAPITAL LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 23, 2015, WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS (“DRHP”) PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;**

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID

BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE ISSUER AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013 AS NOTIFIED.

- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. - COMPLIED WITH AND NOTED FOR COMPLIANCE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.**
- 17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS. - COMPLIED WITH TO THE**

EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRHP AND AS CERTIFIED BY A S R & CO., CHARTERED ACCOUNTANTS BY WAY OF CERTIFICATE DATED SEPTEMBER 16, 2015.

- 18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholders from any liabilities under Section 34 and Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus. It is clarified that each Selling Shareholder is providing information and undertakings in this Draft Red Herring Prospectus only about and in relation to itself as a Selling Shareholder and/or the Equity Shares under Offer for Sale and is not responsible or liable for any other statement or information contained in this Draft Red Herring Prospectus. The Selling Shareholders do not assume any responsibility for any other statement in this Draft Red Herring Prospectus, including, without limitation, any and all of the statements made by or in relation to the Company or other Selling Shareholders.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price information of past issues handled by the Book Running Lead Managers

The price information of past issues handled by I Sec is as follows:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (closing)
1.	Shemaroo Entertainment Limited	1,200.00	170 ⁽¹⁾	October 1, 2014	180	171.00	0.59%	7,945.55	154.00	7,859.95	160.35	7,927.75	163.95	8,322.20
2.	Wonderla Holidays Limited	1,812.50	125	May 9, 2014	160	157.80	26.24%	6,858.80	166.80	7,263.55	212.60	7,235.65	216.15	7,654.60
3.	VRL Logistics Limited	4,678.78	205	April 30, 2015	288	294.10	43.46%	8,181.50	279.95	8,325.25	301.25	8,423.25	306.55	8,433.40
4.	PNC Infratech Limited	4,884.41	378	May 26, 2015	387.00	360.50	(4.63%)	8,339.35	379.45	8,114.70	379.90	8,013.90	390.35	8,398.00
5.	Manpasand Beverages Limited	4,000.00	320	July 9, 2015	300.00	327.75	2.42%	8,328.55	352.75	8,603.45	373.05	8,375.05	434.70	8,525.60
6.	Sadbhav Infrastructure Project Limited	4,916.57	103	July 16, 2015	111.00	106.20	3.11%	7,899.15	NA	NA	NA	NA	NA	NA

⁽¹⁾ Discount of ₹ 17 per equity share offered to retail investors. All calculations are based on issue price of ₹ 170.00 per equity share

Notes:

- All data sourced from www.nseindia.com
- Benchmark index considered is NIFTY
- 10th, 20th, 30th calendar day from listed day have been taken as listing day plus 10, 20 and 30 calendar days, except wherever 10th, 20th, 30th calendar day is a holiday, in which case we have considered the closing data of the next trading date/day

Summary statement of price information of past issues handled by I Sec:

Fiscal Year	Total no. of IPOs	Total Funds Raised (₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016	4	18,479.76	0	0	1	0	1	2	0	0	0	0	2	1
2014-15	2	3,012.50	0	0	0	0	1	1	0	0	1	1	0	0
2013-14	0	Nil	0	0	0	0	0	0	0	0	0	0	0	0

The price information of past issues handled by Citi:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (closing)
1.	Just Dial Ltd. ⁽³⁾	9,191.41	530.00	June 5, 2013	590.00	611.45	15.37	19,568.22	629.30	19,177.93	625.45	18,629.15	655.80	19,495.82
2.	UFO Moviez India Ltd.	6,000.00	625.00	May 14, 2015	600.00	598.80	- 4.19	27,206.06	600.15	27,957.50	562.75	27,188.38	553.25	26,425.30

Source: www.bseindia.com

Notes:

1. The Benchmark index is BSE Sensex.
2. In case 10th/20th/30th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 10th/20th/30th day, is considered.
3. A discount of INR 47 per Equity Share was offered to Retail Individual Bidders in the IPO.

Summary statement of price information of past issues handled by Citi:

Fiscal Year	Total no. of IPOs	Total Funds Raised (₹ Million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 – July 15, 2015	1	6,000.00	-	-	1	-	-	-	-	-	1	-	-	-
2014-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-14	1	9,191.41	-	-	-	-	-	1	-	-	-	-	-	1

The price information of past issues handled by Axis Cap is as follows:

S. N o.	Issue Name	Issue size ₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	Pennar Engineered Building Systems Limited	1,561.87	178	10-Sept-15	177.95	169.90	-4.55%	7788.10	163.00	7977.10	-	-	-	-
2.	Navkar Corporation Limited	6,000	155	9-Sept-15	152.00	167.95	8.35%	7818.60	163.55	7981.90	-	-	-	-
3.	Syngene International Limited	5,500	250	11-Aug-15	295.00	310.55	24.22%	8462.35	338.85	8372.75	327.95	7971.3	340.00	7818.60
4.	UFO Moviez India Limited	6,000	625	14-May-15	600.00	597.30	-4.43%	8224.20	591.40	8370.25	562.25	8236.45	552.00	7982.90
5.	Inox Wind Limited ¹	10,205.27	325	9-Apr-15	400.00	438.40	34.89%	8,778.30	450.70	8448.10	429.65	8285.60	417.75	8191.50
6.	Monte Carlo Fashions Limited	3,504.30	645	19-Dec-14	584.00	567.30	-12.05%	8,225.20	526.55	8246.30	511.35	8234.60	476.00	8550.70

Source: www.nseindia.com

¹ Price for retail individual bidders and eligible employees was ₹ 310.00 per equity share

Notes:

- The CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In case 10th/20th/30th day is not a trading day, closing price on NSE of the next trading day has been considered.
- Since the listing date of Navkar Corporation Limited and Pennar Engineered Building Systems Limited was September 09, 2015 and September 10, 2015 respectively, information relating to closing price and benchmark index as on 20th calendar day and 30th calendar day from listing date is not available.

Summary statement of price information of past issues handled by Axis Cap:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016*	5	29,267.14	0	0	1	0	1	2	0	0	1	0	2	0
2014-2015	1	3,504.30	0	0	1	0	0	0	0	1	0	0	0	0
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note:

- Since the listing date of Navkar Corporation Limited and Pennar Engineered Building Systems Limited was September 9, 2015 and September 10, 2015 respectively, information relating to number of IPOs trading at discount and / or premium as on the 30th calendar day from listing date is not available.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, refer to the website of I Sec at www.icicisecurities.com, Citi at <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm> and Axis Cap at <http://www.axiscapital.co.in>.

Disclaimer from our Company, the Selling Shareholders, our Directors, and the Book Running Lead Managers

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. It is clarified that each Selling Shareholder is providing information and

undertakings in this Draft Red Herring Prospectus only about and in relation to itself as a Selling Shareholder and/or the Equity Shares under Offer for Sale and is not responsible or liable for any other statement or information contained in this Draft Red Herring Prospectus. The Selling Shareholders do not assume any responsibility for any other statement in this Draft Red Herring Prospectus, including, without limitation, any and all of the statements made by or in relation to the Company or other Selling Shareholders. Anyone placing reliance on any other source of information, including our Company's website, www.vlccwellness.com, or the website of any of our Promoters, Promoter Group, Group Company or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into among the Underwriters, our Company and the Selling Shareholders.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information will be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Syndicate Bidding Centres or elsewhere.

Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate shall be liable to Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

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

The BRLMs and their respective affiliates may engage in transactions with, and perform services for, our Company, Promoters, members of our Promoter Group, Group Entities, the Selling Shareholders or their respective associates or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company, Promoters, members of our Promoter Group, Group Entities, the Selling Shareholders or their respective associates or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Offer is being made in India to persons resident in India, including Indian national residents in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under applicable trust law and who are authorized under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs, FIIs and Eligible NRIs, AIFs, QFIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an

offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to “qualified institutional buyers” (as defined in Rule 144A) and referred to in this Prospectus as “U.S. QIBs” (which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) acting for its own account or for the account of another U.S. QIB (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption , and (ii) outside the United States in reliance on Regulation S.

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

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

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Registrar of Companies.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Registrar of Companies.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with Registrar of Companies at the office of the Registrar of Companies situated at the address mentioned below:

The Registrar of Companies, NCT of Delhi and Haryana

4th Floor, IFCI Tower

61, Nehru Place

New Delhi 110 019, India

Telephone: +91 11 2623 5707

Facsimile: +91 11 2623 5702

Listing

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company and the Selling Shareholders will in proportion to the Equity Shares offered in the Fresh Issue and offered for sale by each of the Selling Shareholders, forthwith repay, in accordance with applicable law, all moneys received from the applicants in pursuance of the Red Herring Prospectus.

Our Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid Closing Date or such other period as may be prescribed. The Selling Shareholders shall provide reasonable support and extend reasonable cooperation as required or reasonably requested by the Company and/or the Book Running Lead Managers to facilitate this process. If our Company does not allot Equity Shares pursuant to the Offer within 12 Working Days from the Bid Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which the Company and the Selling Shareholders will pay interest to the applicants at the rate of 15% per annum for the delayed period provided that subject to applicable law, a Selling Shareholder shall not be responsible to pay interest unless such delay has been caused by such Selling Shareholder, in which case the Company shall be responsible for payment of such interest.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Group Chief Financial Officer, our Company Secretary and Compliance Officer, the BRLMs, the Auditors, the lenders to our Company, as applicable, Frost & Sullivan, the legal counsels, the Bankers to our Company and the Registrar to the Offer have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Banks and the Refund Banks to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the Registrar of Companies as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

In accordance with the Companies Act, 2013 and the SEBI Regulations, M/s Deloitte Haskins & Sells, Chartered Accountants, have given their written consent for inclusion of their name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their examination reports dated September 8, 2015 on our restated standalone financial information and our consolidated restated financial information and report dated September 21, 2015 relating to tax benefits, as applicable, accruing to our Company and its shareholders, in this Draft Red Herring Prospectus in the form and context in which they appear in this Draft Red Herring Prospectus. Such consents have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the Securities Act.

Expert Opinion

Except for the examination reports dated September 8, 2015 on our restated standalone financial information and our consolidated restated financial information and the report dated September 21, 2015 on the 'Statement of Tax Benefits' by the Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants (a copy of which have been

included in the Draft Red Herring Prospectus), our Company has not obtained any other expert opinions. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the Securities Act.

Offer Expenses

The Offer related expenses include fees payable to the BRLMs, underwriting commission, brokerage and selling commission, commission payable to Registered Brokers, SCSBs’ fees, Escrow Banks’ and Registrar’s fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing our Equity Shares on the Stock Exchanges. The total expenses of the Offer are estimated to be approximately ₹ [●] million.

Expenses in relation to the Offer will be shared between the Company and the Selling Shareholders in proportion of the Equity Shares being or offered, as the case may be, by each of them in the Fresh Issue and the Offer for Sale, in accordance with applicable law. Any payments by our Company in relation to the Offer on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholders to our Company on a pro-rata basis in proportion to the Equity Shares being offered for sale by each of the Selling Shareholders in the Offer.

The break-down for the Offer expenses is as follows:

S. No.	Activity Expense	Estimated amount ** (₹ million)	Percentage of Total Estimated Offer Expenses **	Percentage of Offer Size **
1.	Fees of the BRLMs, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications) and Commission payable to Registered Brokers	[●]	[●]	[●]
2.	Processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers*	[●]	[●]	[●]
3.	Fees to the Escrow Collection Banks/ Bankers to the Offer and Refund Banks.	[●]	[●]	[●]
4.	Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
5.	Fees to the Registrar to the Offer	[●]	[●]	[●]
6.	Listing fees and other regulatory expenses	[●]	[●]	[●]
7.	Other expenses (legal advisors, Auditors and other Advisors etc.)	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* Disclosure of commission, expenses and processing fee will be incorporated at the time of filing the RHP.

** To be incorporated in the Prospectus after finalisation of the Offer Price.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Manager and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the respective fee letters with the BRLMs, and as per the Syndicate Agreement, copies of which will be available at our Registered Office and our Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Fees payable to the Registered Brokers and processing fees for SCSBs

[●]

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available at the Registered Office and our Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send such refund order, subject to postal rules, in any of the modes described in the Red Herring Prospectus or Allotment Advice by registered post/speed post/ordinary post.

Public or rights issues during the last ten years

Our Company has not made any previous public issue (including any rights issue to the public) during the ten years preceding the date of this Draft Red Herring Prospectus.

Previous issues of securities otherwise than for cash

Except as disclosed in the section titled “*Capital Structure – Notes to Capital Structure – Share Capital History*” on page 79, our Company has not issued any securities for consideration other than cash.

Previous capital issues in the last three years

Except as disclosed under the section titled “*Capital Structure*” on page 78, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. None of our Subsidiaries or our Group Company is listed on any stock exchange in India or overseas as on the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects

There has been no public issue (including any rights issue to the public) by our Company, Subsidiaries or Group Company in the ten years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of Subsidiaries, Group Companies or Associate Companies

Neither our Subsidiaries nor our Group Company have made any public or rights issues in the ten years immediately preceding the date of this Draft Red Herring Prospectus.

Underwriting commission, brokerage and selling commission on previous issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s incorporation.

Outstanding debentures or bonds or preference shares

Other than employee stock options granted under the VLCC Stock Option Plan 2007 as disclosed in the section “*Capital Structure – Notes to Capital Structure – Employee Stock Option Plans*” on page 88, our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Partly paid-up shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records, including refund orders despatched to the Bidders, with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSBs or the member of the Syndicate at Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the Designated Branch or the collection centre of the SCSB or the member of the Syndicate at Specified Locations or the Registered Broker at the Broker Centres where the Bid cum Application Form was submitted. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

All other grievances relating to this Offer may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, cheque or draft number and issuing bank thereof, date of Bid cum Application Form and the name and address of the member of the Syndicate or the Registered Broker where the Bid cum Application Form was submitted.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. With respect to the Bid cum Application Forms submitted with Registered Brokers, investors shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholder Relationship Committee, comprising of Mr. Om Prakash Khaitan, as Chairman and Mr. Sanja Mehta, Ms. Shabani Azmi and Mr. Sandeep Ahuja as members, which is responsible for redressal of grievances of security holders of our Company. For further details, see section titled "*Our Management*" on page 211.

Our Company has appointed Ms. Soniya Khandelwal, our Company Secretary, as the Compliance Officer and she may be contacted in case of any pre-Offer or post-Offer related problems. She can be contacted at the following address:

64, HSIIDC, Maruti Industrial Area
Sector 18, Gurgaon 122 015, India
Telephone: +91 124 4719 700
Facsimile: +91 124 4011 371
E-mail: investors@vlccwellness.com

Disposal of investor grievances by listed Group Companies

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries or our Group Company is listed on any stock exchange, and therefore there are no investor complaints pending against our Subsidiaries or our Group Company.

Change in Auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Capitalisation of Reserves or Profits

Except for issuance of Equity Shares pursuant to a bonus issue, as disclosed under the section titled “Capital Structure” our Company has not capitalised its reserves or profits at any time during the five years preceding this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets during the five years preceding this Draft Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer are subject to the provisions of the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable) the SCRA, SCRR, SEBI Regulations, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Allotment Advice, CAN, Equity Listing Agreements and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by any governmental, regulatory or statutory authority while granting its approval for the Offer.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013, Companies Act, 1956 (to the extent applicable), our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with the provisions of the Companies Act and the Articles. See the section titled “*Main Provisions of the Articles of Association*” on page 378 for a description of significant provisions of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, Memorandum and Articles of Association, the provisions of the Equity Listing Agreements and other applicable law. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in the Offer will be received by the Allottees. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferees. For further details in relation to dividends, see the sections titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 236 and 378, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band, Retail Discount, if any, and minimum Bid lot will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in an English and Hindi national daily newspaper, each with wide circulation, at least five Working Days prior to the Bid Opening Date and shall be made available to the Stock Exchanges for uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, after the Bid Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of book building process.

At any given point of time there shall be only one denomination for the Equity Shares.

Retail Discount

The Retail Discount, if any, will be offered to Retail Individual Bidders at the time of making a Bid. Retail Individual Bidders bidding at a price within the Price Band can make payment at the Bid Amount (less Retail Discount), at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price (less Retail Discount) at the time of making a Bid. Retail Individual Bidders must ensure

that the Bid Amount (less Retail Discount) does not exceed ₹ 200,000. Retail Individual Bidders must mention the Bid Amount while filling the “SCSB/Payment Details” block in the Bid cum Application Form.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable 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 provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or ‘e-voting’;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the Equity Listing Agreements, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see the section titled “*Main Provisions of the Articles of Association*” on page 378.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. See the section titled “*Offer Procedure – Allotment Procedure and Basis of Allotment*” on page 366.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Period of operation of subscription list

See the section titled “*Offer Structure – Bid/Offer Programme*” on page 319.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest in relation to such securities, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled

to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination may be cancelled or varied by nominating any other person in place of the existing nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation to our Company in the prescribed form. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Offer and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

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

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer equivalent to at least 10% post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law. The Selling Shareholders shall reimburse to our Company, on a pro-rata basis, any expense incurred by our Company on their behalf with regard to refunds, interest for delays, etc., for the Equity Shares being offered in the Offer in proportion of the Equity Shares offered for sale pursuant to the Offer provided that subject to Applicable Law, a Selling Shareholder shall not be responsible to reimburse any interest unless such delay has been caused by such Selling Shareholder, in which case the Company shall be responsible for payment of such interest.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, Promoters' minimum contribution and Allotment made to Anchor Investor pursuant to the Offer, as detailed in the section titled "*Capital Structure*" on page 78 and except as

provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting. See the section titled “*Main Provisions of the Articles of Association*” at page 378.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to U.S. QIBs acting for its own account or for the account of another U.S. QIB (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption, and (ii) outside the United States in reliance on Regulation S.

Option to receive Equity Shares in dematerialised form

Allotment of Equity Shares will only be in dematerialised form. The Equity Shares will be traded on the dematerialised segment of the Stock Exchanges.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of face value of ₹ 10 each, for cash at an Offer Price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating up to ₹ [●]. The Offer comprises a Fresh Issue to the public of up to [●] Equity Shares aggregating up to ₹ 4,000 million and an Offer for Sale of up to 3,766,828 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders, comprising of an offer for sale of up to 2,552,929 Equity Shares aggregating up to ₹ [●] million by Indivision India Partners and of up to 1,213,899 Equity Shares aggregating up to ₹ [●] million by Leon International Limited. The Offer would constitute [●]% of the post-Offer paid-up capital of our Company. Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, offer a discount of up to [●]% (equivalent to ₹ [●]) on the Offer Price to Retail Individual Bidders.

Our Company is considering a private placement of up to 1,800,000 Equity Shares for cash consideration aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). If the Pre-IPO Placement is completed, the Offer size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	[●] Equity Shares.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Offer available for Allotment/Allocation	50% of the Offer shall be available for allocation to QIB Bidders. However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including	Proportionate.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For further details, see the section titled “Offer Procedure – Part B – General Information Document for Investing in Public

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	Mutual Funds receiving allocation as per (a) above. The Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.		<i>Issues –Allotment Procedure and Basis of Allotment – Allotment to RIIs” on page 366.</i>
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereof.	[●] Equity Shares and in multiples of [●] Equity Shares thereof.	[●] Equity Shares and in multiples of [●] Equity Shares thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply**	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	Posts, India.		
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate or Registered Brokers at Broker Centers, as the case may be. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.		
Mode of Bidding	Only through the ASBA process (except Anchor Investors).	Only through the ASBA process.	Through the ASBA or non-ASBA process.

* Subject to valid Bids being received at or above the Offer Price. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Offer Price, shall be payable by Anchor Investor Pay-in Date.

** In case the Bid is submitted in joint names, the investors should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.

Retail Discount

The Retail Discount, if any, will be offered to Retail Individual Investors at the time of making a Bid. Retail Individual Investors bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount) at the time of making a Bid. Retail Individual Investors bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount, at the time of making a Bid. Retail Individual Investors must ensure that the Bid Amount does not exceed ₹ 200,000. See “Offer Procedure” on page 322.

Bid/Offer Programme*

FOR ALL BIDDERS	OFFER OPENS ON [●]
FOR QIBs**	OFFER CLOSES ON [●]
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	OFFER CLOSES ON [●]

*Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid Opening Date.

**Our Company and Selling Shareholders may, in consultation with the BRLMs, consider closing the Bidding for QIBs one day prior to the Bid Closing Date in accordance with the SEBI Regulations

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

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of refunds	[•]
Credit of the Equity Shares to depository accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchanges	[•]

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all reasonable support and co-operation as required or reasonably requested by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Offer) at all the Stock Exchanges within 12 Working Days from the Bid Closing Date or such period as may be prescribed.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/Offer Period (except on the Bid Closing Date) at the Bidding Centres and the Designated Branches as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m.;
- (ii) on the Bid Closing Date:
 - a. in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m.; and
 - b. in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m., which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges.

It is clarified that the Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. The Company, the Selling Shareholders or any member of the Syndicate is not liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI Regulations. The Cap Price shall not be more than 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid Opening Date.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members by intimation to SCSBs and Registered Brokers.

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

OFFER PROCEDURE

All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under sub-section titled "– Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to reflect amendments to the SEBI Regulations and to include reference to the Companies Act, 2013 and SEBI FPI Regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Offer only

through the ASBA process. Retail Individual Bidders can also participate in the Offer through the ASBA process as well. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Retail Individual Bidders can submit their Bids by submitting Bid cum Application Forms, in physical form, to the members of the Syndicate, the sub-Syndicate or the Registered Brokers.

Bid cum Application Forms, will be available with the Syndicate/ sub-Syndicate members, SCSBs, Registered Brokers at the Broker Centres and at our Registered Office and Corporate Office. In addition, the Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid Opening Date. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Kindly note that the Syndicate/ sub-Syndicate or the Registered Broker at the Syndicate Bidding Centres or Registered Brokers Centres, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the sub-Syndicate or the Registered Brokers. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate/ sub-Syndicate and at our Registered Office.

Upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank, and are liable for any failure in this regard.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis (ASBA and non ASBA)**	[●]
Non-Residents including Eligible NRIs, FVCIs, FIIs, FPIs and registered multilateral and bilateral development financial institutions applying on a repatriation basis (ASBA and non ASBA)**	[●]
Anchor Investors***	[●]

* Excluding electronic Bid cum Application Forms.

** Bid cum Application forms will also be available on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com). Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, or to the Syndicate (in Specified Cities).

*** Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled “– Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 342, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion

- Scientific and/or industrial research organizations in India, which are authorized to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Participation by associates and affiliates of the Book Running Lead Managers and the Syndicate Members

The Book Running Lead Managers and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Managers and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Other than mutual funds sponsored by entities related to the BRLMs, the BRLMs, the Syndicate Members, the Promoters, the Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs, the Syndicate Members and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be

considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts for the amount payable on application remitted through normal banking channels or by debits to their Non-Resident External (“**NRE**”) or Foreign Currency Non-Resident (“**FCNR**”) accounts, maintained with banks authorized by the RBI to deal in foreign exchange along with documentary evidence in support of the remittance. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary (“**NRO**”) accounts.

Eligible NRIs Bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR Accounts as well as the NRO Account. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents.

Non ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

Bids by FIIs, FPIs and QFIs

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (“**SEBI FPI Regulations**”) pursuant to which the existing classes of portfolio investors namely FIIs and QFIs were subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. For calculating the aggregate holding of FPIs in our company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. In terms of the above-mentioned provisions of the FEMA Regulations, the existing aggregate investment limits for an FII, FPI or sub account in our Company is 40% of the total paid-up Equity Share capital of our Company, and for NRIs is 24% of the total paid-up capital of our Company.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“**ODIs**”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and

approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by 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) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVIC registered with SEBI should not exceed 25% of the corpus of the VCF or FVIC. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing this Draft Red Herring Prospectus with SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed in Regulation 5 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the “**IRDA Investment Regulations**”) are set forth below:

- (a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) or (c) above, as the case may be.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid Opening Date and be completed on the same day.
- (v) Our Company and the Selling Shareholders in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

- (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days from the Bid Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) The BRLMs, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLMs) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see *“Offer Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment – Allotment to Anchor Investor”* on page 367.
- (xiii) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”), and the Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account

using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company and the Selling Shareholders in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that the Company, the Selling Shareholders and the Book Running Lead Managers deem fit, without assigning any reasons therefore.

In accordance with existing regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in [●] edition of [●] (an English national daily newspaper) and [●] edition of [●] (a Hindi national daily newspaper), each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled “– *Part B – General Information Document for Investing in Public Issues*” on page 339, Bidders are requested to note the following additional information in relation to the Offer.

1. The Company shall dispatch the Red Herring Prospectus and other Offer material including Bid cum Application Forms, to the Designated Stock Exchange, Syndicate/ sub-Syndicate, Bankers to the Offer, investors’ associations and SCSBs in advance.
2. The Price Band and the minimum Bid Lot for the Offer will be decided by the Company and the Selling Shareholders, in consultation the Book Running Lead Managers, and advertised in one English national daily newspaper and one Hindi national daily newspaper (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation at least five Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges’ websites.
3. It is not obligatory for the Registered Brokers to accept the Bid cum Application Forms. However, upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders).

other than ASBA Bidders) and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard.

In case of Bid cum Application Form by non ASBA Bidders, Registered Brokers shall deposit the cheque, prepare electronic schedule and send it to Escrow Collection Banks. All Escrow Collection Banks, which have branches in a Registered Broker Centre, shall ensure that at least one of its branches in the Registered Broker Centre accepts cheques. Registered Brokers shall deposit the cheque in any of the bank branch of the Escrow Collection Banks in the Registered Broker Centre. Registered Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the Escrow Collection Banks. Registered Brokers shall retain all physical Bid cum Application Forms and send it to the Registrar to Offer after six months.

4. In case of Bid cum Application Forms submitted by ASBA Bidders, Registered Brokers shall forward a schedule (containing application number and amount) along with the Bid cum Application Forms to the branch where the ASBA Account is maintained of the relevant SCSB for blocking of fund.
5. The Syndicate/ sub-Syndicate, the SCSBs and the Registered Brokers, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. All accepted Bids made at the Registered Broker Centre shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint. It is the Bidder's responsibility to obtain the TRS from the Syndicate/ sub-Syndicate, the Designated Branches or Registered Brokers. The registration of the Bid by the Syndicate/ sub-Syndicate, the Designated Branches or Registered Brokers does not guarantee that the Equity Shares shall be allocated/ Allotted by the Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier TRS and may request for a revised TRS from the Syndicate/ sub-Syndicate, the Registered Brokers or the SCSB as proof of his or her having revised the previous Bid.
6. The Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, will finalise the Offer Price within the Price Band, without the prior approval of the Bidders.
7. In relation to electronic registration of bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Selling Shareholders, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
8. In case of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to SCSB or to the Syndicate (in specified cities) to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus if the Bid was made through ASBA. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

9. In case of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account in case of non-ASBA Bidders, or unblocked in case of ASBA Bidders.
10. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate/ sub-Syndicate or the Registered Brokers, as the case may be, shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions.
11. Allocation to Non-Residents, including Eligible NRIs FIIs and FPIs will be subject to applicable law, rules, regulations, guidelines and approvals.
12. The Allotment and trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

In addition to the information provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Interest and Refunds - Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants*” on page 371, Bidders are requested to note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Fresh Issue shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

Signing of the Underwriting Agreement and the RoC Filing

The Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 339, Bidders are requested to note the additional instructions provided below.

Do’s:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or SCSB (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres.
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting

Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Offer;

7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
20. Ensure that the category and sub-category is indicated;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
24. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
25. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
26. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
27. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
28. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
29. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; Instead submit the same with a Designated Branch of the SCSBs, Syndicate/ sub-Syndicate the Registered Brokers, as the case may be;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Offer;
7. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
8. Anchor Investors should not Bid through the ASBA process;

9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
12. Do not submit the GIR number instead of the PAN;
13. Do not submit the Bids without the full Bid Amount;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
16. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid Closing Date;
17. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid Closing Date;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
20. Do not submit more than five Bid cum Application Forms per ASBA Account;
21. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
22. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>); and
23. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form / Application Form*” on page 343, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Bids through ASBA must be made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in

ENGLISH and in accordance with the instructions contained in this Red Herring Prospectus and in the Bid cum Application Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Escrow mechanism for non-ASBA Bidders

In addition to the payment instructions for non-ASBA Bidders as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Payment Details – Instructions for non-ASBA Applicants*” on page 359, non-ASBA Bidders are requested to note the following.

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of resident Retail Individual Bidders: “[●]”;
 - In case of Non-Resident Retail Individual Bidders: “[●]”; and
 - In case of Anchor Investors: “[●]” for resident Anchor Investors, and “[●]” for Non Resident Anchor Investors.
2. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit Magnetic Ink Character Recognition (“**MICR**”) code are liable to be rejected.
3. **Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.**

Designated Date and Allotment

- (a) Our Company will ensure that the Allotment and credit to the successful Bidder’s depository account will be completed within 12 Working Days of the Bid Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*” on page 363, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;
2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the bank account details in the Bid cum Application Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section titled “– *Who can Bid?*” on page 323;

5. Bid cum Application Form submitted to the Book Running Lead Managers does not bear the stamp of the Book Running Lead Managers or the Registered Brokers;
6. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Book Running Lead Managers, as the case may be;
7. Signature of First/sole Bidder missing;
8. With respect to ASBA Bids, the Bid cum Application Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stockinvest/money order/postal order/cash;
14. Bids by persons in the United States other than 'qualified institutional buyers' (as defined in Rule 144 A of the Securities Act); and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid Closing Date, unless extended by the Stock Exchanges.

In terms of the RBI circular (No.DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques would be processed in three CTS centres thrice a week until April 30, 2014, twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid Closing Date or such other period as may be prescribed, investors are advised to use CTS cheques or use the ASBA facility to make payments. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid Closing Date.

PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORM (WHETHER CTS OR NON-CTS), FOR ANY REASON WHATSOEVER (INCLUDING BUT NOT LIMITED TO ANY NATURAL/ MATERIAL CALAMITIES OR ANY EXTENSION BY THE BANK ON THE TIME PERIOD FOR CLEARING WITH PERMISSION OF RBI OR OTHERWISE), SUCH BID CUM APPLICATION FORM MAY BE CONSIDERED FOR REJECTION.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 12, 2015 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated October 28, 2014 among CDSL, the Company and Registrar to the Offer.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if the Company does not proceed with the Offer after the Bid Closing Date, the reason thereof shall be given as a public notice within two days of the Bid Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That if our Company or the Selling Shareholders withdraw the Offer after the Bid Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company or

- any Selling Shareholder subsequently decides to proceed with the Offer;
- That the complaints received in respect of the Offer shall be attended to by the Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid Closing Date or such other period as may be prescribed;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further Offer of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;
- That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment; and
- The Company shall not have recourse to the Net Proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

Each Selling Shareholder severally undertakes the following:

- It is the legal and beneficial owner of the Equity Shares proposed to be transferred pursuant to the Offer for Sale;
- That the Equity Shares proposed to be transferred by it in the Offer for Sale (a) have been held by it for a minimum period as specified in Regulation 26(6) of the SEBI Regulations; (b) shall be transferred to Allottees free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialized form at the time of transfer;
- That it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- That it shall be liable to refund the application monies as required under applicable laws and statutory time limits, and in the event of failure to do so, shall pay interest to the non-ASBA Bidders as provided under the Companies Act, 2013 or any other applicable laws and regulations, provided such refund and interest shall be shared by the Company and the Selling Shareholders in proportion to the number of Equity Shares sold in the Fresh Issue and Offer for Sale, respectively. Provided that, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder, in which case our Company shall be responsible for payment of such interest;
- That it shall provide all reasonable support and cooperation as required or reasonably requested by the Company and the BRLMs in relation to the completion of allotment and dispatch of the allotment advice and Anchor Investor allocation note, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;
- That it shall provide such reasonable support and extend such reasonable cooperation as may be required by the Company and/or the Book Running Lead Managers in redressal of such investor grievances, including in relation to itself, its respective Offered Shares and the Offer for Sale;
- That it shall not further transfer Equity Shares during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Offer;
- That it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale; and
- That it shall comply with all applicable laws including Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the SEBI Regulations, FEMA and the applicable circulars, guidelines and regulations issued by SEBI and the RBI, in relation to the Equity Shares offered by it in the Offer for Sale.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by the Company and the Selling Shareholder, in consultation with the Book Running Lead Managers.

Utilisation of Offer proceeds

The Selling Shareholders along with the Company declare that all monies received out of this Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. Further, our Company certifies that details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed until the time any part of the proceeds of the Fresh Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer for any reason at any time after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh issue by our Company and the Selling Shareholders, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLMs to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

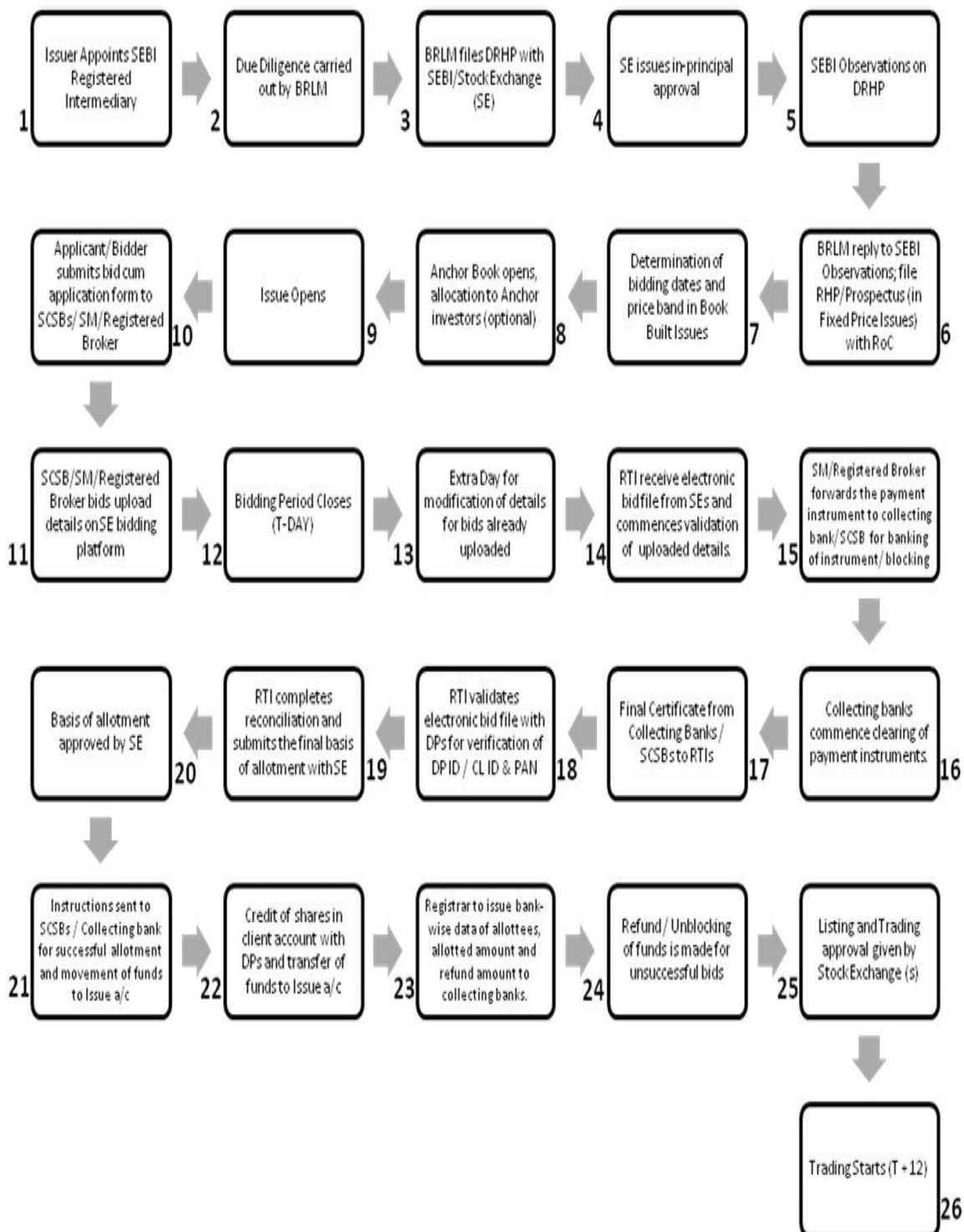
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the websites of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLMs, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows [Bidders/Applicants may note that this is not applicable for Fast Track FPOs.]:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - (i) Step 7 : Determination of Issue Date and Price
 - (ii) Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
 - (iii) Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - (iv) Step 12: Issue period closes
 - (v) Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- FPIs (other than Category III FPIs) bidding in the QIBs category;
- Category III FPIs bidding in the Non Institutional Bidders category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs on a repatriation basis	Blue
Anchor Investors	[As specified by the Issuer]

Securities Issued in an IPO of Issue size equal to rupees ten crores or more can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS																																												
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE IN		Bid cum Application Form No. _____																																												
SYNDICATE MEMBER'S STAMP & CODE 		BROKER'S/AGENT'S STAMP & CODE 		1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																																												
ESCROW BANK / SCSB BRANCH STAMP & CODE 		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE 		2. PAN OF SOLE / FIRST APPLICANT _____																																												
BANK BRANCH SERIAL NO. 		REGISTRAR'S / SCSB SERIAL NO. 		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID																																												
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off") <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="5">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">Discount, if any</th> <th rowspan="2">Net Price</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>7</th><th>6</th><th>5</th><th>4</th><th>3</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td><td></td><td></td><td></td><td></td> <td></td> <td></td> <td>☐</td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td><td></td><td></td><td></td><td></td> <td></td> <td></td> <td>☐</td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td><td></td><td></td><td></td><td></td> <td></td> <td></td> <td>☐</td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)					Discount, if any	Net Price	"Cut-off" (Please tick)	7	6	5	4	3	Option 1									☐	(OR) Option 2									☐	(OR) Option 3									☐	5. Category ☐ Retail Individual ☐ Non-Institutional ☐ QIB	
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)								Discount, if any	Net Price	"Cut-off" (Please tick)																																		
		7	6	5	4	3																																										
Option 1									☐																																							
(OR) Option 2									☐																																							
(OR) Option 3									☐																																							
6. Investor Status ☐ Individual(s) - IND ☐ Hindu Undivided Family* - HUF ☐ Bodies Corporate - CO ☐ Banks & Financial Institutions - FI ☐ Mutual Funds - MF ☐ Non-Resident Indians - NRI (Non-Repatriation basis) ☐ National Investment Fund - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - VC ☐ Others (Please specify) - OTH		7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) Amount Paid (₹ in figures) _____ (₹ in words) _____ ☐ (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated D / M / Y Drawn on (Bank Name & Branch) _____ ☐ (B) ASBA Bank A/c No. _____ Bank Name & Branch _____		PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment																																												
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKINGS AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.																																																
8A. SIGNATURE OF SOLE / FIRST APPLICANT Date: _____, 2011		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange systems)																																												
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____																																												
DPID / CLID Amount Paid (₹ in figures) _____ Bank & Branch _____ Cheque / DD/ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		Stamp & Signature of Banker 		Stamp & Signature of Syndicate Member / SCSB 																																												
XYZ LIMITED No. of Equity Shares Bid Price Amount Paid (₹) Cheque / DD/ASBA Bank A/c No. Bank & Branch		Option 1 Option 2 Option 3		Acknowledgement Slip for Bidder Bid cum Application Form No. _____																																												

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS	
Logo To: The Board of Directors XYZ Limited		BOOK BUILDING ISSUE Bid cum Application Form No. INE523L01018			
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No. (with STD code) / Mobile _____	
SCSB BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE			
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.			
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL				2. PAN OF SOLE / FIRST APPLICANT	
For NSDL enter 5 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID 4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				5. Category	
Bid Options Option 1 (OR) Option 2 (OR) Option 3		No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised) Bid Price Discount, if any Net Price "Cut-off" (Price in)		☐ Retail Individual ☐ Non-Institutional ☐ FPI ☐ FVCI ☐ FISA ☐ Others (Please Specify)	
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment	
Amount Paid (₹ in figures) _____ (₹ in words) _____ ☐ (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated _____ Drawn on (Bank Name & Branch) _____				☐ (B) ASBA Bank A/c No. _____ Bank Name & Branch _____	
(WE ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT (WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 3A AND HEREBY AGREE AND CONFIRM THE "BIDDERS' UNDERTAKING" AS GIVEN OVERLEAF. I/We on behalf of joint applicants, if any, hereby confirm that I/We have read the instructions for filling up the Bid Cum Application Form given overleaf.)					
1A. SIGNATURE OF SOLE / FIRST APPLICANT _____ Date: _____, 2011		1B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) (We authorize the SCSB to do all acts as are necessary to have the Application in the issue) 1) _____ 2) _____ 3) _____		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system) _____	
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____ PAN _____	
DPID / CLID _____ Amount Paid (₹ in figures) _____ Bank & Branch _____ Cheque / DD/ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		Stamp & Signature of Banker _____			
TEAR HERE					
XYZ LIMITED		Option 1 Option 2 Option 3 No. of equity shares Bid Price Amount Paid (₹) Cheque / DD/ASBA Bank A/c No. Bank & Branch		Name of Sole / First Applicant _____ Acknowledgement Slip for Bidder Bid cum Application Form No. _____	

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer and the Selling Shareholders, in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer and the Selling Shareholders on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bid/offer period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by

the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - (i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - (ii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted

with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

- (iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Upto 60% of the QIB Category can be allocated by the Issuer and the Selling Shareholders, on a discretionary basis [subject to the criteria of minimum and maximum number of anchor investors based on allocation size], to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, QFIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - (i) in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - (ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - (iii) in physical mode to a member of the Syndicate at the Specified Locations or
 - (iv) Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand

draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature

of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - (iii) In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - (iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker.
 - (v) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLMs in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries –
 - (i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - (ii) name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - (iii) In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
 - (iv) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bid/offer period or withdraw their bids until finalization

of allotment.

- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS	
Logo		To, The Board of Directors XYZ Limited	BOOK BUILDING ISSUE INE523L01018	Bid cum Application Form No.	
SYNDICATE MEMBERS' STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		4. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK/SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Tel. No (with STD code) / Mobile _____	
				2. PAN OF SOLE / FIRST APPLICANT _____	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL	
				For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (as per last Bid or Revision)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
Option 1					
(CR) Option 2					
(CR) Option 3					
5. TO (Revised Bid)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
Option 1					
(CR) Option 2					
(CR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)					
PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____					
☐ (A) CHEQUE/ DEMAND DRAFT (DD) ☐ (B) ASBA					
Cheque/DD No. _____ Dated: DD/MM/YYYY Bank A/c No. _____					
Drawn on (Bank Name & Branch) _____ Bank Name & Branch _____					
(WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for Filling up the Bid revision Form given overleaf.					
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date: _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue.			
		1) _____			
		2) _____			
		3) _____			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.	
DPID / CLID				PAN	
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement of Syndicate Member / SCSB		Name of Sole / First Applicant	
No. of Equity Shares		Option 1 Option 2 Option 3			
Bid Price					
Additional Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.				Acknowledgement Slip for Bidder	
Bank & Branch				Bid cum Application Form No.	

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Managers to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - (ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - (i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - (ii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as

applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

- (b) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	(a) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form (b) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.

- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to

- (i) the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - (iii) the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - (iv) With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and its affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
 - (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
 - (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and its affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
 - (e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLMs at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is

maintained), to the issuer or the Registrar to the Issue;

- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer and the Selling Shareholders in consultation with the BRLMs may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

- (e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor

Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer and the Selling Shareholders in consultation with the BRLMs, subject to compliance with the following requirements:
 - (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors where the allocation is more than ₹ 250 crores and an additional 10 Anchor Investors for every additional ₹ 250 crores, subject to minimum allotment of ₹ 5 crores per Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS) AND NIIs IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after

such rounding off; and

- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received in a manner prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and other applicable laws. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Selling Shareholders, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.
- (d) In the case of Bids from Eligible NRIs, FIIs, FPIs and QFIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible

currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholders may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**— Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**— Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**— Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date

Term	Description
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLMs/ Book Running Lead Managers/Lead Managers/ LMs	The Book Running Lead Managers to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Managers should be construed to mean the Lead Managers or LMs
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Category III FPI	FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Companies Act	The Companies Act, 1956
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Managers, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number

Term	Description
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Managers, the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI

Term	Description
Investors or FVCIs	(Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and Category III FPIs that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI, FVCIs registered with SEBI, FPIs and QFIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for

Term	Description
	the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Managers, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.

Term	Description
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The Articles of Association are divided into two parts, Part A and Part B. The validity of these Articles shall be as follows

- (a) Until the issuance of the notice for commencement of trading of the Equity Shares of the Company by the Bombay Stock Exchange Limited and/or the National Stock Exchange of India Limited pursuant to an IPO of the Company ("Listing Date"), Part A and Part B of these Articles shall be effective. Provided, however, that until the Listing Date/IPO, in the event of any conflict between the terms of Part A and Part B of these Articles, the terms of Part B of these Articles shall prevail.
- (b) On the Listing Date/ in the event of occurrence of an IPO, the Part B shall become ineffective automatically.

Part A

Article	Particulars
SHARE CAPITAL AND VARIATION OF RIGHTS	
3.	The Authorised Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
5.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital
6.(i)	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
(ii)	Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon.

Article		Particulars
(iii)		In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
7.		A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
8.		If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. The Company shall not charge any fee for registration of transfer of shares and debentures, for sub-division and consolidation of share and debenture certificates and for sub-division, of letters of allotment and split, consolidation, renewal and Pucca Transfer Receipts into denominations corresponding to the market units of trading, for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised, for registration of any Power of Attorney, Probates letters of administration or similar other documents. The Company will not charge any fees exceeding those which may be agreed upon with the stock exchange: (a) For Issue of new certificate in replacement of those that are torn, defaced, lost or destroyed; (b) For sub-division and consolidation of share and debenture certificates and for sub-division of Letters of Allotment and split, consolidation, renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading.
9.		The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
10.(i)		The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
(ii)		The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
(iii)		The commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in the one way and partly in the other.
11.(i)		If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
(ii)		To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.
12.		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms

Article	Particulars
	of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to Equity Shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
14.(i)	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - (a) persons who, at the date of offer, are holders of Equity Shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
(ii)	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.
LIEN	
15.(i)	The Company shall have a first and paramount lien – (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) b. on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
(ii)	The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
(iii)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
16.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
17.(i)	To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
(ii)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
(iii)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
(iv)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the

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		proceedings with reference to the sale.
18.(i)		The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
(ii)		The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
19.		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
20.		The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
CALLS ON SHARES		
21.(i)		The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that the Board shall not give right or option to any other person except with the sanction of the Company in General Meeting.
(ii)		Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
(iii)		The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
(iv)		A call may be revoked or postponed at the discretion of the Board.
22.		A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
23.		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24.(i)		If a sum called in respect of a share is not paid before or on the day appointed for payment thereof ("the due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
(ii)		The Board shall be at liberty to waive payment of any such interest wholly or in part.
25.(i)		Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
(ii)		In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26.		The Board— (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

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		(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the members (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable by him.
27.		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
28.		All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
29.		Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
30.		The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
TRANSFER OF SHARES		
31.(i)		A common form of transfer shall be used.
(ii)		The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
(iii)		The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
32.		The Board may, subject to the right of appeal conferred by the Act decline to register- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (a) any transfer of shares on which the Company has a lien. Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.
33.		In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless - (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (b) the instrument of transfer is in respect of only one class of shares.
34.		On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

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		Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty- five days in the aggregate in any year.
35.		The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
TRANSMISSION OF SHARES		
36.(i)		On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
(ii)		Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
37.(i)		Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (c) to make such transfer of the share as the deceased or insolvent member could have made.
(ii)		The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
(iii)		The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
38.(i)		If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
(ii)		If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
(iii)		All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
39.		A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
40.		The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
FORFEITURE OF SHARES		
41.		If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains

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		unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
42.		The notice aforesaid shall: (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
43.		If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
44.		(a) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. (b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
45.(i)		A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
(ii)		The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
46.		(a) duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (c) The transferee shall thereupon be registered as the holder of the share; and (d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
47.		The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
48.		The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
ALTERATION OF CAPITAL		
49.		The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
50.		Subject to the provisions of the Act, the Company may, by ordinary resolution— (a) consolidate and divide all or any of its share capital into shares of larger

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	amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
51.	Where shares are converted into stock— (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
52.	The Company may, by resolution as prescribed the Act, reduce in any manner and with, and subject to, any incident authorized and consent required by law— (a) its share capital; (b) any capital redemption reserve account; (c) any share premium account; or (d) any other reserve in the nature of share capital.
CAPITALISATION OF PROFITS	
53.(i)	The Company in general meeting may, upon the recommendation of the Board, resolve— (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
(ii)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards— (a) paying up any amounts for the time being unpaid on any shares held by such

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		members respectively;
		(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
		(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
(iii)		A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
(iv)		The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
54.(i)		Whenever such a resolution as aforesaid shall have been passed, the Board shall—
		(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
		(b) generally do all acts and things required to give effect thereto.
(ii)		The Board shall have power—
		(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
		(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
(iii)		Any agreement made under such authority shall be effective and binding on such members.
BUY-BACK OF SHARES		
55.		Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
GENERAL MEETINGS		
56.		All general meetings other than annual general meeting shall be called extraordinary general meeting.
57.		The Board may, whenever it thinks fit, call an extraordinary general meeting.
PROCEEDINGS AT GENERAL MEETINGS		
58.(i)		No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii)		The quorum for the general meetings shall be as provided in the Act.
59.		The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
60.		If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

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61.		If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
62.		On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have second or casting vote.
ADJOURNMENT OF MEETING		
63.(i)		Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
(ii)		No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii)		When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
(iv)		Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
VOTING RIGHTS		
64.		Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
65.		A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
66.(i)		In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(ii)		For this purpose, seniority shall be determined by the order in which the names stand in the register of membes.
67.		A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
68.		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
69.		No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
70.(i)		No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
(ii)		Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
PROXY		
71.		The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be

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		deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
72.		An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
73.		A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
BOARD OF DIRECTORS		
74.		Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 and shall not be more than 15.
75.(i)		The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
(ii)		The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.
(iii)		In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.
76.		All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
77.(i)		Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
(ii)		Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
78.(i)		The Board may appoint an alternate director to act for a director (hereinafter in these Articles referred to as “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
(ii)		An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
(iii)		If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

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79.(i)		If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
(ii)		The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.
POWERS OF BOARD		
80.(i)		The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
(ii)		The Board may, from time to time and at its discretion, subject to the provisions of Sections 73, 179, 180, and 185 of the Act, raise or borrow either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company provided that the Board shall not, without the sanction of the Company in General Meeting borrow any sum of money which together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.
(iii)		The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the under-taking of the whole or any part of the Company (both present and future) but shall not create a charge on its capital for the time being without the sanction of the Company in the General Meeting.
PROCEEDINGS OF THE BOARD		
81.(i)		The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(ii)		The Chairperson or any one director with the previous consent of the Chairperson, may or the secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
(iii)		The quorum for a Board meeting shall be as provided in the Act.
(iv)		The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
82.(i)		Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii)		In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
83.		The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a

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		general meeting of the Company, but for no other purpose.
84.(i)		The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office.
(ii)		If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
85.(i)		The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
(ii)		Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
(iii)		The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
86.(i)		A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
(ii)		If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
87.(i)		A committee may meet and adjourn as it thinks fit.
(ii)		Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
88.		All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
89.		Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
90.		Subject to the provisions of the Act— (a) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board. The Board may appoint one or more chief executive officers for its multiple businesses. (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
MANAGING DIRECTOR		
91.(i)		Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their

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		places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him to the Board of Directors at their meetings.
(ii)		Subject to the provisions of Act and Rules and Schedule of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.
(iii)		Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
THE SEAL		
92.(i)		The Board shall provide for the safe custody of the Seal.
(ii)		The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or manager, if any or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.
DIVIDENDS AND RESERVE		
93.		The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
94.		Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
95.(i)		The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.
(ii)		The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
96.(i)		Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
(ii)		No amount paid or credited as paid on a share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the share, including to confer a right to dividend or to participate in profits.
(iii)		All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect

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		of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
97.(i)		The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
(ii)		The Board may retain dividends payable upon shares in respect of which any person is, under the Article 36 & 37 hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
98.(i)		Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
(ii)		Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
(iii)		Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
99.		Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
100.		No dividend shall bear interest against the Company. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. All unpaid and unclaimed dividends shall be dealt with in accordance with the provisions of Sections 124 and 125 of the Act and rules made there under. Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
ACCOUNTS		
101.(i)		The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
(ii)		No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board.
WINDING UP		
102.		Subject to the provisions of Chapter XX of the Act and rules made there under—
(i)		If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
(ii)		For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall

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		be carried out as between the members or different classes of members.
(iii)		The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
DEMATERIALIZATION OF SECURITIES		
103.(i)		Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996.
(ii)		Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.
(iii)		The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996, containing details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law(s) including any form of electronic media.
(iv)		The Company shall have the power to keep in any state or country outside India a branch register resident in that state or country.
INDEMNITY & INSURANCE		
104.(i)		Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
(ii)		Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
(iii)		The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
GENERAL POWER		
105.		Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Part B

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BOARD MEETING	
108.	The Board of Directors shall meet at least once every 4 (four) months, and at least 4 (four) times a year and both Leon Director & Indivision Director shall have the right to call a meeting of the Board to ensure compliance of this provision. At least 7 (seven) days written notice shall be given to each of the Directors and their alternates in respect of each meeting of the Board, at the address notified from time to time by each Director of the Company, A meeting may be called by giving shorter notice with the consent of majority of the Directors, subject to the consent of Leon Director and Indivision Director (or their alternate) being received for Leon Reserved Matters and IIP Reserved Matters respectively. Each Director shall also be allowed to attend the meeting of the Board by way of video conferencing or other audio visual means as permitted under the Act.
QUORUM OF THE BOARD	
109.	Subject to the provisions of the Act, the quorum for a meeting of the Board of Directors of the Company shall be at least 3 (three) Directors including Leon Director and Indivision Director. If Leon Director and/or Indivision Director or their representative is unable to attend a meeting of the Board, such meeting may be held without the presence of Leon Director and/or Indivision Director or their alternates, provided that Leon Director or Indivision Director participates in such meeting through teleconference and no resolutions in such meetings shall be passed or decisions taken with respect to any of the Leon Reserved Matters/ Indivision Reserved Matters unless specifically waived by the Leon Director and/ or Indivision Director in writing (including by way of email), the Board meeting shall automatically stand adjourned till the same day in the next week , at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place for consideration of such Reserved Matter (s). It is, however clarified that the original agenda shall not be changed for an adjournment Board Meeting without the prior written consent of at least 1 (one) Director representing IIP or his alternate.
QUORUM OF THE GENERAL MEETINGS	
110.	The quorum for General Meetings shall be a minimum of 5 (five) members with at least one representative of Leon and one representative of IIP unless waived by Leon for its Reserved Matters and Indivision in writing. The Shareholders meeting shall, in the event the quorum is not present within half an hour from the time appointed for the meeting, automatically stand adjourned till the same day in the next week, at the same time and place, or to such other day and at such other time and place, as the Board may determine. It is, however, clarified that the original agenda shall not be changed by the Board, for an adjourned Shareholders meeting, without prior written consent of at least 1 (one) Director representing Indivision and 1(one) Director representing Leon (or their respective alternates). The Parties also agree not to include any of the Reserved Matters, which has not been voted in favour of at the Board meeting, in the agenda for the Shareholders meeting.
COMMITTEE OF THE BOARD	
111.	At least 1 (one) Director representing Indivision shall always be a member of any committee or sub-committee constituted by the Board, which is constituted to implement any decisions taken by the Board relating to any of the Reserved Matters. Indivision Director shall always be on the Audit Committee or any other committee constituted by the Board , which has been constituted to implement any decisions taken by the Board relating to any of the IIP Reserved Matters, unless specifically waived by Indivision. Leon Observer shall have the right to attend all meetings of the Audit Committee and Remuneration Committee.
RESOLUTION BY CIRCULATION	

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112.		A written resolution circulated to all the Directors, whether in India or overseas, and signed by a majority of the directors as approved shall be, subject to compliance with the relevant requirements of the Act, as valid and effective as a resolution duly passed at a meeting of the Board called and held in accordance with this Agreement and the Articles (provided that it has been circulated in draft form, together with the relevant papers, if any to all the Directors). For avoidance of doubt, resolution by circulation shall not be valid and binding on Indivision, Leon and the Company with regard to any Reserved Matters unless waived off by Indivision and /or Leon in writing as the case may be.
RESERVED MATTERS		
113.(i)		Notwithstanding anything to the contrary contained in Part B of these Articles, without the prior written consent of the Leon Director/Leon, the Leon Reserved Matters shall not be taken up, discussed, acted upon and/or implemented by the Company and the Company shall ensure that none of its Wholly Owned Subsidiaries take up, discuss, act upon or implement the Leon Reserved Matters in relation to the Group and/or Wholly Owned Subsidiaries, unless waived by Leon Director or by their representative in writing (including an email).
(ii)		Any proposal being considered at a meeting of the Board on any of the matters provided for under the IIP Reserved Matters shall require the affirmative vote of a majority of the Directors including an affirmative vote of at least 1 (one) Director nominated for appointment by the Investor, unless waived by Indivision Director or by their representative in writing (including an email).
114.(i)		The Company shall, on a uniform basis, reimburse to the Directors representing Indivision/Leon for all reasonable travel, hotel and out of pocket expenses incurred for attending any meeting of the Board and/or any other work done for and on behalf of the Group Companies. The Company shall ensure that the reimbursements made to the Directors for attending any meeting of the Board shall be on a uniform basis to all the Directors.
(ii)		The minutes of each meeting of the Board shall be valid upon signature by the Chairman of the meeting.
ISSUE OF SHARES AND ANTI DILUTION		
115.(i)	In case of Leon	In case of any issuance of Equity Shares or derivative securities, whether by way of rights issue or preferential issue, the Parties shall cause an offer (for the purposes of this Article, the “Offer”) to be made by the Company to Leon in accordance with the provisions of the Act (“Entitlement”). In case of a rights offer, the Entitlement shall be in proportion to the Shareholding of Leon as on the date of the Offer and in case of a preferential issue, the Entitlement shall be such number of Shares which are required to enable Leon to maintain their then existing respective Shareholding in the Company as on the date of the Offer. For avoidance of any doubt, any investment by existing or new investor at a later date (provided the provisions of these Articles are complied with for such issuance), notwithstanding anything to the contrary contained in these Articles, would dilute the Shareholding of Leon. The exercise or non-exercise of the Entitlement by shareholders is subject to the provisions of Clause 4.5 (Anti Dilution) of the Agreement.
(ii)		Each of the Promoters and Leon, exercising its Entitlements in accordance with the provisions of this Clause shall have the right to designate any of its’ Affiliate(s) to exercise its Entitlements or subscribe to any additional Equity Shares, in place and stead of itself provided that the affiliate agrees and undertakes to be bound by the terms and conditions of this Agreement and executes the Deed of Adherence. Subject to the aforementioned provisions , no Person shall have the right to renounce its Entitlement in favour of any Third Party.
(iii)		The Company and the Promoters hereby undertake that no Person shall be offered Shares (or any instrument or security convertible into Equity Shares) in the Company at terms which are more favorable than the terms of investment to Leon and in no event at a Group equity valuation of less than INR 850 Crores, without prior written

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		permission of Leon.
(i)	In case of IIP	Notwithstanding anything to the contrary contained in these Articles, for any issuance of Equity Shares or Derivative Securities, whether by way of rights issue or preferential issue, the Company and / or the Management Shareholders shall cause an offer (for the purposes of the Section 3.5.1 (Anti Dilution) of the IIP Agreement, the “Offer”) to be made by the Company to Indivision in accordance with the provisions of Section 62 of the Act (“Entitlement”). In case of a rights offer, the Entitlement shall be in proportion to the Shareholding of Indivision as on the date of the Offer and in case of a preferential issue, the Entitlement shall be such number of Shares which are required to enable Indivision to maintain their then existing respective Shareholding in the Company as on the date of the Offer. For avoidance of doubt, in case of a rights offer, Indivision’s Entitlement shall be in the proportion to the Shareholding of Indivision as on the date of the Offer and in case of a preferential issue, Indivision’s Entitlement shall be such number of Shares which are required to enable Indivision to maintain their existing respective Shareholding in the Company as on the date of the Offer, as per Section 3.5.1 of the IIP Agreement. Indivision shall subscribe, under intimation to the other party(s) and the Company, for their Entitlement in accordance with the Offer within a period of 30 (thirty) Business Days from the receipt of the Offer. The Company shall promptly, after receipt of intimation from Indivision, notify the other Shareholders of the total number of Shares subscribed to by Indivision and the extent of the Shortfall, if any. For avoidance of doubt, nothing in this Article shall apply to the ESOP up to 2.5% and any investment by existing or new investor for cash at a later date, and notwithstanding anything to the contrary contained in these Articles, such issuance would dilute the shareholding of Indivision.
(ii)		If any Shareholder(s) notifies the Company that it does not wish to exercise the whole (or part) of its Entitlement, such shortfall (hereinafter referred to as the “Shortfall”), may be brought in by the other Shareholders on a proportionate basis to their respective Shareholding.
(iii)		Each of the Management Shareholders and Indivision, exercising its Entitlements in accordance with the provisions of Section 3.5 (Anti Dilution) of the Agreement shall have the right to designate any of its’ Affiliate(s) to exercise its Entitlements or subscribe to any additional Equity Shares, in place and instead of itself provided that the Affiliate agrees and undertakes to be bound by the terms and conditions of the Indivision Investor Rights Agreement and executes the Indivision Affiliate Deed of Adherence (as defined under Section 4.3 of the Agreement). Subject to the aforesaid provisions, no Person shall have the right to renounce its Entitlement in favour of any Third Party.
(iv)		The Company and the Management Shareholders hereby undertake that no new Shareholders shall be offered terms which are more favourable than those offered to Indivision under the IIP Agreement without the prior written permission of Indivision.
RESTRICTION ON SHARE TRANSFER		
116.(i)	In case of Leon	Prior to the IPO Target Date or the making of an IPO by the Company, whichever comes first, the Promoters and Leon shall not, directly or indirectly, Transfer all or any of the Shares held by them except in accordance with the Agreement. Any Transfer in breach of this Agreement, including this article , shall be null and void, and shall not be binding on the Company.
(ii)	In case of IIP	(1) The Management Shareholders covenant and agree with Indivision that they shall not transfer any of the Equity Shares owned by them to any Person or create any Encumbrance over the Equity Shares owned by them, except as expressly required or permitted under Permitted Transfers, or subject to Section 2.2 (Threshold Limit) of Agreement, as permitted under Section 5.1 (Right of First Offer) and 5.2 (Tag Along Right) of the IIP Agreement.

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	Subject to Sections 5.1 (Right of First Offer), 5.3 (IPO) and 5.4 (Offer of Sale) of the IIP Agreement, the Indivision shall be free to transfer any of the Equity Shares or contractual rights or voting interests therein (including any and all rights accruing to Indivision in accordance with the terms of the Indivision Investor Rights Agreement) owned by it to any Person or create any Encumbrance over the Equity Shares owned by Indivision. For avoidance of doubt, it is clarified that in case of Transfer of part of the Equity Shares by Indivision, the rights under the Indivision Investor Rights Agreement shall vest only with 1 (one) Equity Shareholder, i.e. either in Indivision or only 1 (one) transferee shall be entitled to the rights under the Indivision Investor Rights Agreement pursuant to such Transfer. Subject to any sale of Shares by Indivision pursuant to Section 5.2 (Tag along Right) and 5.4 (Offer of Sale) of Agreement, notwithstanding anything to the contrary contained in these Articles, Indivision hereby agrees that it shall not Transfer its Shareholding, either partly or fully, to any Competitor. Notwithstanding any provision contained in the IIP Agreement to the contrary, each of the Investor and the Shareholders shall Transfer its Equity Shares only in Compliance with applicable Law and shall not Transfer its Equity Shares, if doing so would create a substantial risk of causing the Company to loss any of its Governmental Approvals, or to be in a material way in violation of a Law or in breach of a significant contract to which it is a party or other commitment which it has undertaken , where such significant contract has been approved or ratified in writing by the Party proposing to Transfer its Equity Shares. (2) Procedures with respect to Transfer of Shares (Section 4.2 of Agreement) Any attempted Transfer of Equity Shares, made by the Shareholders or Indivision, in violation of these Articles and the Indivision Investor Rights Agreement shall be null and void. Neither the Board of Directors nor the Management Shareholders shall approve or ratify any Transfer of Equity Shares made in contravention of these Articles and the Indivision Investor Rights Agreement and the Company shall be caused not to record any such Transfer on the statutory registers of the Company maintained for the Equity Shares.
PERMITTED SHARE TRANSFERS	
117.(i)	In case of Leon Subject to the provisions of Clause 4.1 (Restriction on Transfer) and 5.1 (Restriction on Promoter share) (a) and (b) of the Agreement, The Promoters shall have the unrestricted right to gift their Shares (and rights relating thereto) or any part thereof to any member of their immediate family or to any employee of the Company or the Wholly Owned Subsidiaries, provided that in such case a) the Promoters receive no consideration directly or indirectly for such gift; and b) the recipient of the Shares executes a Deed of Adherence as per Agreement, except where such transferee receives the Shares from the Promoters under an employee stock option scheme duly approved by the Board. Subject to the provisions of Clause 4.1 of the Agreement, Leon shall have the unrestricted right to Transfer their Shares (and rights relating thereto) or any part thereof to any of their Affiliates, provided that in such case the recipient of the Shares executes a Deed of Adherence.
(ii)	In case of IIP (1) <u>Transfers to Affiliates</u> Subject to the provisions of these Articles and the Indivision Investor Rights Agreement, Indivision or any Shareholder may, at any time, and in compliance with the applicable Law, Transfer all or any of its Equity Shares to one or more of its Affiliates provided that the Affiliate, prior to the Equity Shares being transferred in the name of the Affiliate, agrees and undertakes to be bound these Articles and to the terms and conditions of the Indivision Investor Rights Agreement and executes a deed of adherence (“Indivision Affiliate Deed of Adherence”). If a Person holding Equity Shares in accordance with the provisions of these Articles and the Indivision Investor Rights Agreement by virtue of being an Affiliate of a

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	Shareholder (such Shareholder being hereinafter called the “Parent Party”), ceases to be such an Affiliate, the Parent Party shall acquire or cause any of its other Affiliates to acquire, full and unconditional title in and to all of the Equity Shares then held by such Person ceasing to qualify as an Affiliate. In addition to the provisions contained in the Indivision Affiliate Deed of Adherence, the provisions of Section 4.1 (Restrictions on Transfer) and Section 4.3 (Transfer to Affiliates) of Agreement shall apply to an Affiliate to whom Equity Shares have been transferred as per Section 4.3 of Agreement. Notwithstanding any provisions to the contrary in these Articles, if any Management Shareholder transfers part of its Equity Shares to any Affiliate or additional Equity Shares are issued to any Affiliates of such Management Shareholder (i) all of the Management Shareholders, and/ or Affiliates (collectively, the “Shareholder Group”) shall be treated as a single Shareholder and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one person in the Shareholder Group of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other members of the Shareholder Group of their respective rights, obligations, covenants or undertakings hereunder, and (ii) the Shareholder Group shall nominate one person within the Shareholder Group who shall (a) act for and on behalf of each member of the Shareholder Group under these Articles and/or the Indivision Investor Rights Agreement in respect of any right, action or waiver to be exercised by any member of the Shareholder Group (including the nomination, replacement or removal of the Directors) and (b) be responsible for causing each of the members of the Shareholder Group to perform its obligations, covenants and undertakings hereunder.
RESTRICTION ON PROMOTERS SHARE	
118.(i)	As per Leon Agreement The Promoters, undertake to Leon, during the entire term of the Agreement that they will hold, in the aggregate not less than 51% (fifty one percent) of the Share Capital and they shall entitled to Transfer subject to the restrictions set out in Clause 4.1 (Restriction on Transfer) of this agreement only a maximum of up to 10 (ten) % of their Shareholding until Leon has sold its stake, including other covenants as given under Clause 5 (Promoter and Company Covenants) of the Agreement.
(ii)	As per IIP Agreement Notwithstanding any provisions to the contrary in these Articles and subject to a prior written consent of Indivision to the contrary, the Management Shareholders hereby expressly agree and undertake that till such time Indivision, along with any of its respective Affiliates, holds, directly or indirectly, Equity Shares equal to or more than the Indivision Threshold Limit: (i) the Management Shareholders’ Shareholding in the Company shall not be less than 51% (fifty one percent) of the Equity Capital; and (ii) the Management Shareholders shall, subject to the Permitted Transfers, be entitled to Transfer in accordance with Section 5.1 (Right of First Offer) and 5.2 (Tag Along Right) of Agreement only a maximum of up to 10% (ten percent) of the Management Shareholders Shareholding.
119.(i)	Exit Options in case of Leon <u>Right of First Offer</u> Subject to Clauses 4.1 and 5.1(a) of the Agreement, if, at any time prior to an IPO any of the Promoters or Leon (“Transferor”) desire to Transfer all or a portion of the Shares (“Offered Shares”) held by it/them to any Third Party (“Transferee”), they shall comply with the procedure as defined under Clause 6.1 (Right of First Offer) of the Agreement. <u>Tag-Along Rights</u> Subject to the restriction contained in Clauses 4.1 and 5.1(a) of the Agreement, in the event any sale is proposed to be made by any or all of the Promoters under Clause 6.1.1 of the Agreement, where (i) Leon or Indivision (as the case may be) does not elect to purchase the Offer Shares in the manner as provided in Section 6.1.1; and (ii) where such sale is not a Permitted Transfer, Leon or Indivision (as the case may be)

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	shall have an option, exercisable for a period of ten (10) Business Days, by way of delivery of a notice (the “Tag Along Notice”) from the date of expiration of the Offer Period (the “Sale Option Period”), to elect to participate in the sale of Offered Shares along with such any or all of the Promoters (the “Vendor”) and to sell, on the terms as set forth in the Offer Notice and as a part of the Offered Shares, only such number of Equity Shares as is equivalent to the inter se ratio of the Equity Shares held by Leon or Indivision (as the case may be) and the Vendor at that point in time (the “Tag Along Shares”), at the same price and on the same terms on which the Transferee (the “Target Transferee”) is purchasing the Offered Shares. Leon/Indivision submitting the Tag Along Notice is hereinafter referred to as a “Participating Shareholder”. The Parties hereby agree that in the event there are more than one Shareholder(s) who are entitled by way of contract or otherwise to tag along their Equity Shares as a part of the Offered Shares and such Shareholder(s) does not exercise its right to tag along its Shares (the “Deficit Shares”) with the Offered Shares, then the Participating Shareholder and the Vendor shall be entitled to tag along such number of Deficit Shares which are equivalent to the proportion of their <i>inter se</i> Shareholding. The Vendor undertakes that upon receipt of the Tag Along Notice, it shall require the Target Transferee to also purchase all, but not less than all, of the Tag Along Shares and the relevant number of Deficit Shares as a part of the Offered Shares at the Offer Price and upon the same terms and conditions as applicable to the Offered Shares. If the Participating Shareholder does not elect to sell the full number of Tag Along Shares and the relevant number of Deficit Shares that it is entitled to sell, then Vendor shall be entitled to sell the Offered Shares to the Target Transferee. Leon shall be entitled to pro-rata tag along when Indivision is exercising its exit rights pursuant to Clause 5 of IIP SHA. The Parties hereto confirm and agree to facilitate and fully co-operate to give effect to Leon’s right herein. Indivision hereby confirms that that it is agreeable to allow Leon a pro-rata tag when it is exercising its exit rights pursuant to Clause 5 of IIP SHA.
(ii)	Exit Options in case of IIP <u>Rights of First Offer</u> Subject to the restriction contained in Section 4.1 of IIP Agreement, if, either any Management Shareholder or Indivision desires to Transfer any or all of Equity Shares therein owned by it (for purposes of the Section 5.1 of Agreement, the “Seller”), then it shall: (a) Make an offer for the sale, in case of Management Shareholders, subject to Section 2.2.2 of Agreement, and in case of Indivision, any or all of its Shareholding, the Offer Shares (as hereinafter defined) to the other Shareholders (for the purpose of the Section 5.1 of Agreement “Remaining Shareholder”) by a notice (“Offer Notice”) mentioning therein: (a) the total number of Equity Shares proposed to be offered for sale (the “Offer Shares”), (b) the cash price at which the Offer Shares are being offered for sale (the “Offer Price”); and (c) any other terms and conditions in connection therewith including the period for which such offer shall be available to the Remaining Shareholder. For avoidance of doubt, it is clarified that in the event there are more than one Shareholders who are the ‘Remaining Shareholder’ for the purposes of the Section 5.1 of the Agreement, all of such Remaining Shareholders shall be entitled to the Offer Shares in proportion to their Shareholding at the time of the Offer Notice; (b) Simultaneous transfer of all, but not less than all, of the Offer Shares to the Remaining Shareholder shall take place, in the event that the Remaining Shareholder agrees to purchase all of the Offer Shares, either directly or through its Affiliates, within 30 (thirty) Business Days of receipt of the Offer Notice (“Offer Period”);

Article		Particulars
		(c) In the event that the Remaining Shareholder, either directly or through its Affiliates, does not elect to purchase simultaneously all, but not less than all, of the Offer Shares from the Seller within the Offer Period, then the Seller shall be at a liberty to sell to the proposed third party purchaser (“Proposed Transferee”), within a period of 90 (ninety) days of the expiry of the Offer Period all, but not less than all, of the Offer Shares at a price not lower than the Offer Price and on terms and conditions not more favourable than those contained in the Offer Notice. Further, in case the Management Shareholders are the Seller for the purposes of the Section 5.1 of the Agreement, the Management Shareholder shall disclose the identity of such Proposed Transferee in the notice specified in terms of the Section 5.1.1 of Agreement. <u>Tag Along Right</u> Subject to the restriction contained in Section 4.1 of Agreement, in the event any sale is proposed to be made by any or all of the Management Shareholders under Section 5.1.1 of Agreement, where (i) Indivision does not elect to purchase the Offer Shares in the manner as provided in Section 5.1.1 of Agreement; and (ii) where such sale is not a Permitted Transfer, Indivision shall have an option, exercisable for a period of ten (10) Business Days, by way of delivery of a notice (the “Tag Along Notice”) from the date of expiration of the Offer Period (the “Sale Option Period”), to elect to participate in the sale of Offer Shares along with such any or all of the Management Shareholders (the “Vendor”) and to sell, on the terms as set forth in the Offer Notice and as a part of the Offer Shares, only such number of Equity Shares as is equivalent to the <i>inter se</i> ratio of the Equity Shares held by Indivision and the Vendor at that point in time (the “Tag Along Shares”), at the same price and on the same terms on which the third party transferee (the “Target Transferee”) is purchasing the Offer Shares. Indivision submitting the Tag Along Notice is hereinafter referred to as a “Participating Shareholder”. The Management Shareholders and Indivision hereby agree that in the event there are more than one Shareholder(s) who are entitled by way of contract or otherwise to tag along their Equity Shares as a part of the Offer Shares and such Shareholder(s) does not exercise its right to tag along its Shares (the “Deficit Shares”) with the Offer Shares, then the Participating Shareholder and the Vendor shall be entitled to tag along such number of Deficit Shares which are equivalent to the proportion of their <i>inter se</i> Shareholding. The Vendor undertakes that upon receipt of the Tag Along Notice, it shall require the Target Transferee to also purchase all, but not less than all, of the Tag Along Shares and the relevant number of Deficit Shares as a part of the Offer Shares at the Offer Price and upon the same terms and conditions as applicable to the Offer Shares. If the Participating Shareholder does not elect to sell the full number of Tag Along Shares and the relevant number of Deficit Shares that it is entitled to sell, then Vendor shall be entitled to sell the Offer Shares to the Target Transferee.
INITIAL PUBLIC OFFERING (IPO)		
120.	As per Leon Agreement	Subject to the provisions of Clause 6.3 (Initial Public Offering) of the Agreement, The Company shall and the Promoters shall procure that the Company shall endeavour to undertake an Initial Public Offering and achieve listing of the Company prior to 30 th April 2017 (“ IPO Target Date ”) on the National Stock Exchange and/ or the Bombay Stock Exchange and/ or any internationally recognised stock exchange.
OFFER FOR SALE (OFS)		
121.(i)	In case of Leon	Subject to the provisions of Clause 6.3 (Initial Public Offering) of the Agreement, The Parties hereby agree that Leon and IIP shall be entitled to tender all or part of the Equity Shares (owned by them respectively), in proportion to their Shareholding, for sale in the IPO (“ IPO Shares ”). However, in case either of Leon and IIP not selling

Article	Particulars
	their Equity Shares in proportion to their Shareholding (“Deficit Shares”), then the other shall have an option in addition to its proportion of the IPO Shares, to offer such Deficit Shares in the IPO as the IPO Shares. The Promoters are not eligible to offer for sale and sell their Shares in such IPO or offer for sale in preference to Leon and IIP.
(ii)	In case of IIP Subject to the provisions of Section 5.3 (Initial Public Offering) of Agreement, in the event, the IPO of the Company does not achieve listing of the Company on or before 31st March 2011, Indivision shall have a right to cause an Offer for Sale (“OFS”) upon expiry of a period of 1 (one) year from 31st March 2011, of all its Shares and seek a listing of the Company on the National Stock Exchange and/or the Bombay Stock Exchange and/or any other Indian or internationally recognised stock exchange, as may be determined by Indivision. The Management Shareholders shall take all such steps as may be necessary including at Board and Shareholder levels to support the decision of Indivision in this regard. Indivision shall also have the right to offer all its Shares for sale in any public offering of Shares. Indivision shall be entitled to require the Management Shareholders to join with Indivision in making the OFS and/ or to require the Company to issue such number of Shares as may be required for the listing of the Company, at the option of Indivision, subject to the applicable Laws, including but not limited to requirements of the Securities and Exchange Board of India and/ or the relevant Indian or international stock exchange. The Company and the Management Shareholders shall cooperate with Indivision and shall take all such actions as Indivision may request in order to complete such OFS. In the event, Indivision is unable to obtain an exit from the Company pursuant to the OFS as stated in the Section 5.4 (Offer For Sale) of the Agreement the Management Shareholders and Indivision shall use its best efforts to identify a third party purchaser to acquire Indivision’s Shareholding at a price and terms of payment acceptable to Indivision and in that event Indivision, at its option may cause the Management Shareholders to compulsorily sell all of the Shares held by them in excess of 51% of the Equity Capital (or the relevant proportion of their Shareholding, only if their Shareholding is in excess of 51% of the Equity Capital) on the same terms and conditions at which Indivision proposes to sell its Shareholding to such third party purchaser. In the event, Indivision is unable to obtain an exit from the Company pursuant to the Offer for Sale as above and subject to Section 5.1 (Right of First Offer) of Agreement, Indivision shall be permitted to transfer its Shareholding along with any rights attached thereto to any third party purchaser. The Management Shareholders and Indivision hereby agree that in the event Indivision offers all or part of the Equity Shares owned by Indivision for sale in OFS pursuant to Section 5.4.1 of Agreement (“OFS Shares”), then the Management Shareholders shall also have an option to offer same number of Shares in OFS as the OFS Shares which are being offered by Indivision.
SALE WITHOUT RESTRICTION	
122.	The Parties hereto agree and confirm that, if by IPO Target Date, Leon is unable to sell its Shareholding in the Company through an initial public offering /offer for sale of the Company on any national or international stock exchange or to any third party, then, in that event, any time after the expiry of 3 (three months) from the IPO Target Date, Leon is free to sell and Transfer its Shareholding then held in the Company to any Person without any restrictions whatsoever, but only subject to compliance with Clause 6.1 (Right of First Offer) of the Leon Agreement.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts to the Offer

1. Offer Agreement among our Company, the Selling Shareholders and the BRLMs dated September 23, 2015.
2. Registrar agreement among our Company, the Selling Shareholders and Registrar to the Offer dated September 8, 2015.
3. Escrow Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Banks, the Registrar to the Offer and the Syndicate Members.
4. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
5. Underwriting Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
6. Agreement dated February 12, 2015, among NSDL, our Company and the Registrar to the Offer.
7. Agreement dated October 28, 2014, among CDSL, our Company and the Registrar to the Offer.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certification of incorporation dated October 23, 1996, certificate of incorporation dated April 20, 1999 consequent to conversion of Company to a public limited company and certificate of incorporation dated November 18, 2004 upon change in name of Company to VLCC Health Care Limited.
3. Resolution of our Board of Directors dated August 12, 2015, authorising the Fresh Issue.
4. Resolution of the shareholders of our Company dated August 14, 2015, under section 62(1)(c) of the Companies Act, 2013 authorising the Fresh Issue.
5. Resolution of the IPO Committee dated September 23, 2015, approving this Draft Red Herring Prospectus and taking on record the Offer for Sale by the Selling Shareholders.
6. Resolution of the board of directors of Indivision India Partners dated June 19, 2015 and consent letter dated September 14, 2015, approving its participation in the Offer for Sale.
7. Resolution of the board of directors of Leon International Limited dated September 11, 2015 and consent letter dated September 15, 2015, approving its participation in the Offer for Sale.

8. Resolution of the shareholders of our Company dated September 29, 2014 for appointment of Mr. Sanjay Mehta, Mr. O.P. Khaitan and Ms. Shabana Azmi as independent directors.
9. Resolution of the shareholders of our Company dated September 9, 2015 for appointment of Mr. Sanjay Kapoor as an independent Director.
10. Resolution of the shareholders of our Company dated January 27, 2015 for re-appointment, remuneration and terms of service of Mr. Sandeep Ahuja as the Managing Director and Group CEO of our Company.
11. Resolution of the Board of Directors of our Company dated April 23, 2014 for appointment of Mr. Alok Oberoi as a nominee Director on the Board of our Company.
12. Resolution of the Board of Director of our Company dated July 31, 2014 for payment of ₹ 100,000 to independent directors of our Company, as sitting fees for attending every board meeting.
13. Resolution of the Board of Director of our Company dated September 8, 2015 for payment of ₹ 50,000 to independent directors of our Company, as sitting fees for attending every Committee meeting.
14. Copies of annual reports of our Company for Fiscal Years 2011, 2012, 2013, 2014 and 2015.
15. Copy of the VLCC Stock Option Plan 2007, as amended from time to time.
16. Examination reports of the Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, dated September 8, 2015 prepared as per Indian GAAP on our restated standalone financial information and our consolidated restated financial information included in this Draft Red Herring Prospectus.
17. Statement of tax benefits from M/s Deloitte Haskins & Sells, Chartered Accountants dated September 21, 2015.
18. Consent of the Auditors for inclusion of their reports on our restated standalone financial information and consolidated restated financial information and statement of tax benefits, in the form and context in which they appear in this Draft Red Herring Prospectus.
19. Consents of Bankers to our Company, Book Running Lead Managers, Syndicate Members, Registrar to the Offer, Escrow Collection Bank(s), Directors of our Company, Company Secretary and Compliance Officer, Frost & Sullivan, legal counsels, as referred to, in their respective capacities.
20. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.
21. Due diligence certificate dated September 23, 2015 to SEBI from the BRLMs.
22. SEBI observation letter [●] and our in-seriatim reply to the same dated [●].
23. Shareholders' agreement dated November 13, 2014 among our Company, Promoters, Leon International Limited and Indivision India Partners, as amended by way of amendment agreements dated March 11, 2015 and September 17, 2015.
24. Share subscription agreement dated January 24, 2007 and investors' rights agreement dated January 24, 2007 among our Company, Promoters and Indivision India Partners, as amended by way of amendment agreements dated July 15, 2010, February 7, 2011, March 11, 2015 and September 17, 2015.
25. Share subscription and shareholders' agreement dated April 23, 2014 among Mr. Mukesh Luthra, Leon International Limited, Tiger Nominees Limited and Algaroth Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the

shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

1. DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Mukesh Luthra <i>Chairman and Non-executive Director</i>	Mr. Sandeep Ahuja <i>Managing Director and Group CEO</i>
Mr. Om Prakash Khaitan <i>Independent Director</i>	Mr. Sanjay Kapoor <i>Independent Director</i>
Mr. Sanjay Mehta <i>Independent Director</i>	Ms. Shabana Azmi <i>Independent Director</i>
Mr. Sameer Sain <i>Nominee Director</i>	Mr. Alok Oberoi <i>Nominee Director</i>

Date: September 23, 2015

Place: New Delhi

SIGNED BY THE GROUP CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Narinder Kumar

Date: September 23, 2015

Place: New Delhi

2. DECLARATION BY INDIVISION INDIA PARTNERS, AS A SELLING SHAREHOLDER

We, Indivision India Partners certify that all statements and undertakings made by us in this Draft Red Herring Prospectus in relation to ourselves or in connection to the Equity Shares offered by us in the Offer for Sale in this Draft Red Herring Prospectus, are true and correct and we assume no responsibility for any other statements in this Draft Red Herring Prospectus made by or in relation to the Company or other Selling Shareholders.

SIGNED FOR AND ON BEHALF OF INDIVISION INDIA PARTNERS

Fareed Soreefan
Director

Date: September 23, 2015

3. DECLARATION BY LEON INTERNATIONAL LIMITED, AS A SELLING SHAREHOLDER

We, Leon International Limited certify that all statements and undertakings made by us in this Draft Red Herring Prospectus in relation to ourselves or in connection with the Equity Shares offered by us in the Offer for Sale in this Draft Red Herring Prospectus, are true and correct and we assume no responsibility for any other statements in this Draft Red Herring Prospectus made by or in relation to the Company or other Selling Shareholders.

SIGNED FOR AND ON BEHALF OF LEON INTERNATIONAL LIMITED

Name: Doomraj Sooneelall
Designation: Director

Date: September 23, 2015